

10 Years After Floating of Exchange Rates, System Is Rated a Disappointment

By Carl Gewirtz
International Herald Tribune

PARIS — Ten years ago this week unprecedented turmoil erupted in the foreign exchange markets, causing trading throughout the world to close for five full working days. When the markets reopened on March 13, the postwar system of fixed exchange rates was dead and a new era of floating rates was born.

Now the experiment is widely assessed as a great disappointment. "There were people who put high hopes on floating," said Helmut Schmidt, the former West German chancellor. But he quickly added, "These high hopes were absolutely futile."

This is not to suggest that any serious policy-maker is calling for a return to a system of fixed values.

But a decade later, policy-makers acknowledge that what was wrong with the international monetary system in 1973 remains the fundamental problem in 1983 — inadequate cooperation among governments to coordinate economic policies.

This issue will be a major topic of discussion at the economic summit meeting of the seven major industrial powers in late May in Williamsburg, Virginia.

That this is the fundamental problem is certainly the view of Mr. Schmidt. In 1973, he was economics minister, and in collaboration with George P. Shultz, then the U.S. Treasury secretary, and Valéry Giscard d'Estaing, then France's finance minister, authorized the uncoupling of exchange rates.

Mr. Giscard d'Estaing, later the president of France, agrees with Mr. Schmidt's analysis. But he dismisses as hopelessly utopian the notion that any country's domestic economic policies would ever be adapted to the needs of other countries.

The former heads of state do concur that floating exchange rates were the most practical solution to the international monetary disorder

of the 1970s. "Ten years ago, we had no other choice but to float," Mr. Schmidt said in a recent telephone interview from Hamburg.

The hopes at the start were that by liberating central banks from the obligation of intervening to maintain exchange rates within a fixed margin, governments would be able to pursue domestic policy independent of foreign constraints.

Fixed rates imposed foreign constraints, forcing central banks to pump money into circulation by buying dollars to keep the exchange rate steady. But pumping up the money supply in West Germany, for example, had undesirable effects on domestic inflation.

It was also hoped that floating exchange rates would facilitate balance-of-payments adjustments and snuff out the danger that countries running large trade deficits, such as the United States, would be tempted to resort to protectionism.

That was the theory. The experience, said

Alexandre Lamfalussy, economic adviser to the Bank for International Settlements, is one of "disillusionment." Excessive appreciation or depreciation of exchange rates has "robbed governments of their freedom of choice in domestic policy," he said, and the dangers of protectionism are greater today than at any time since the beggar-thy-neighbor policies of the 1930s.

As did all the officials who were interviewed, he insisted that the floating rates were inevitable. "The fixed parity system could not have withstood the repeated oil shocks. The adjustments required as a result of the major differences between the reactions of the industrial countries could definitely not have been carried out in time or to a sufficient degree. Floating has allowed balance-of-payments adjustment to take place."

But, he added, "Floating must be managed. The excesses of floating must be tempered."

The excesses are the so-called overshooting of

exchange rates well beyond the levels sustainable by economic fundamentals.

When the generalized system of floating began, the dollar was worth 2.79 Deutsche marks. By December 1979, the rate had dropped to a low of 1.71 DM and by November 1982 it was back up to 2.59 DM. The current rate is 2.39 DM.

The dollar started floating at 4.44 French francs, dropped to a low of 3.99 francs by October 1978 and soared to 7.31 francs by November 1982. The current rate is 6.93 francs.

The dollar rate when the yen started floating in February 1973 was 260. By October 1978 it was down to 177 yen and by November 1982 it was back up to 278 yen. Currently it is 238 yen.

At the dollar's lows, West German, French and Japanese industry suffered greatly because the price of their goods on world markets was too expensive. Currently, U.S. manufacturers are suffering from an overvalued dollar, which many analysts forecast will result in a record-

breaking U.S. trade deficit of \$80 billion this year. The size of that deficit, many analysts say, will ultimately send the dollar spiraling down on exchange markets later this year.

The yo-yo effect of exchange rates, endangering whole sectors of industry by radical deterioration in their competitive positions for long periods, has wreaked havoc — domestically in terms of reduced corporate profitability and investment and internationally in terms of spreading protectionism aimed at insulating damaged industries.

Volatility of rate movements has been greater than anyone expected — even though official intervention has remained substantial, albeit one-sided, with the United States largely maintaining an attitude of benign neglect. Efforts to get Washington to play an active role in managing the exchange rate have been a major source of friction between Europe and the United

(Continued on Page 5, Col. 1)

Maclean Dies In Moscow At Age 69

Briton Was Figure In 1951 Spy Scandal

By Dusko Doder
Washington Post Service

MOSCOW — Donald Stuart Maclean, the British diplomat who became a Soviet spy out of conviction and supplied Moscow with priceless information before defecting to the East in 1951, was given a respectful funeral here Friday and hailed as a "faithful son and citizen" of the Soviet state.

Mr. Maclean, 69, died Sunday, but his death was announced in the government newspaper Izvestia only on Friday. Without making any direct reference to his espionage activities, Izvestia described "Donald Donaldovich Maclean" as a man "of high moral qualities and a convinced communist" who "devoted all his conscious life to the high ideals of social progress and humanism" and who performed outstanding services to the Soviet state.



Funeral service for Donald Maclean in Moscow's Donskoy Monastery Friday.

The article, signed "a group of comrades," said "a bright memory of him will remain in our hearts forever."

The tall, elegant, former diplomat, whose father, Sir Donald Maclean, was a Liberal Party leader and cabinet minister, was at the center of Britain's most celebrated spy scandal. He and his fellow spy Guy Burgess fled to Moscow in 1951 just before British counterintelligence agents were to interrogate them.

The "third man" in the affair, which led to a major shake-up of British intelligence, was Harold (Kim) Philby, who tipped off Mr. Maclean and Mr. Burgess about

their impending arrest. Mr. Philby defected to Moscow in 1951 and is living here. Mr. Burgess died in 1963.

The "fourth man" in the affair was Anthony Blunt, who served as art adviser to Queen Elizabeth II until 1979, when he was unmasked as a former Soviet spy. The three students became idealistic communists while attending Cambridge University in 1930s, where Mr. Blunt was a don, and subsequently

volunteered their services to Moscow.

A memorial service for Mr. Maclean was held Friday morning at Moscow's Institute for World Economy and International Relations, a government research organization where he worked as a foreign policy analyst. A large portrait and an obituary of Mr. Maclean were displayed prominently inside the institute's entrance hall.

(Continued on Page 3, Col. 3)

Delors and French Socialists Face Nervous Days in Clichy

By John Vinocur
New York Times Service

CLICHY, France — Clichy looks like this: rotting buildings, tiny grocery stores, dead concrete slabs slumped into housing projects. On one side, alleys, cobblestones, updated Zola; on the other, Mean Streets, low-rent apartment buildings 10 stories high, a "reader-adviser" who has set up shop in the back of a truck parked on the sidewalk.

It is an unlikely place to land with a parachute. But Finance Minister Jacques Delors, who in normal circumstances might never have anything to do with Clichy, was sent here by the Socialist Party early this year — parachuted, in French political jargon — to run for mayor. More directly, the plan was for Mr. Delors to create himself a nice political base in this rough little town, population 47,000, just over the Paris city line.

The left, mainly Socialists, has run municipal affairs in Clichy for the last 58 years. It was a reasonable assumption that Mr. Delors could take over the job with a couple of afternoons' shaking hands; but the first round of the French municipal elections went badly, forcing a runoff on Sunday. Mr. Delors, probably the most widely respected member of the government, has a chance of losing, it suggests serious dissatisfaction with Socialism nationally.

Mr. Delors got out of his car at a street corner Wednesday afternoon and began talking. His reputation is not as a politician, but as a banker, a man of professional competence, and he seemed to submit to the little crowd waiting for him rather than to work it.

A woman on crutches looked at

Interior Minister Will Resign Post If He Loses Vote

Reuters

PARIS — Interior Minister Gaston Defferre says he will quit the government if he is not re-elected mayor of Marseilles in Sunday's second round of municipal voting.

Mr. Defferre, who has been mayor for 30 years, is reportedly on the brink of defeat despite efforts this week to rally his traditional support. He is opposed by Jean-Claude Gaudin, the center-right opposition candidate.

With the final stages of the campaign dominated by strident denunciations of rightist leaders by Socialist ministers, Prime Minister Pierre Mauroy appealed for the tension to be lowered. "Despite the controversies, however lively, we must always act in a way which preserves the homogeneity of society," he said in Lille, where he is mayor and faces a runoff.

The government parties have accused the right of exploiting racism and the immigration issue to defeat the left in the first round electoral test since the left gained power in 1981.

him hard. "The problem with you," he insisted, "is that nobody knows if you'll ever be here. And if you're not here, the Communists are going to run things." Mr. Delors, whose campaign has the support of the Communist Party, looked slightly put upon. But he seemed to recover, saying, "I'll be making all the necessary arrangements to be

in Clichy," and then, sounding like a campaigner for the first time, "You come on around in my office and check up on me, huh?"

Mr. Delors's national reputation involves respect for his sobriety within a government whose excesses have been in the area of the euphoric, the incoherent and the doctrinaire. When he talks about why the left did poorly in the first round, it is in his usual straight style. "Take an omelet," he says, "You cut off both ends and distribute them. Some people say you took off too much, others too little. That's our situation. There's not a government anywhere that's been managing the economic crisis over the last two years that would do better in an election. Our biggest error is surely that we haven't explained what we're doing well enough. You've got to associate people with what's going on, and you can't win elections if you don't."

In the first round here, the finance minister got about 47 percent of the vote, with the neo-Gaullist candidate, Gaetan Deudon, close to 44 percent. Two extreme-left parties received enough votes to put Mr. Delors in office if they are transferred to him, but the Trotskyist campaign was aimed largely at the finance minister.

By any count, the losses experienced by the left in Clichy are substantial. President Francois Mitterrand got 57 percent of the presidential vote in 1981; in the 1977 municipal elections, when there were Socialist and Communist candidates, their combined total was 83 percent.

Mr. Deudon, a local electrical contractor, credits his own hard work for most of the change. In



Jacques Delors, France's finance minister, who faces a runoff election for mayor of the Paris suburb of Clichy.

fact, he seems to have benefited from general irritation with the bad state of the economy, and a deepening sense of a local crime problem. Although French mayors have no control over the police, they are often held responsible politically for a city's mood of insecurity, and Clichy was high on a list of crime statistics in the Hauts-de-Seine department. With the town's immigrant population, mostly Arabs, at about 20 percent, there is a lot of talk in Clichy's bars about guns and self-protection.

Mr. Deudon, a calm man, says he believes the feeling of insecurity goes much further than the reality. "There are people in town who would have liked me to do the racial thing, but it's out for me. Absolutely not, that's the last thing we need."

Mr. Deudon, who has lived in Clichy for 18 years, insists that the Socialist Party always took the town for granted.

"Everybody here thinks Mr. Delors is probably the best minister in the government," he says, "but I think the national situation with the Socialists in power made a lot of people look twice at things locally. That's how you lose elections."

Zambia, Once Nkomo's Refuge, Signals Him to Keep Out

By Alan Cowell
New York Times Service

LUSAKA, Zambia — Just opposite the golf club here lie the ruins of a house that once was a nerve center of war. Chickens and crabs compete for the space among the debris these days, but not long ago, the villa was home to Joshua Nkomo, Zimbabwe's opposition leader, who fled his country this week for neighboring Botswana.

Lusaka, the tranquil Zambian capital, was his headquarters during the seven years of guerrilla war that preceded Zimbabwe's independence in 1980. But, from the perspective of Zambia and other nations, his political fortunes, like his one-time residence, are in decline. Officials said Mr. Nkomo would not be welcome here if he attempted to return.

Once supported by the broad front of nations, Zambia the most prominent of them in Africa, Mr. Nkomo has become an embarrassment for the risks involved in embracing him now for no great reason.

It is a guiding principle of the Organization of African Unity that

a neighbor's affairs should not be interfered with lest vengeance is taken and wider fratricide are exposed.

The seven years of warfare left a legacy of uncertain relationships between Zimbabwe and its neighbors, for there were two rival nationalist guerrilla forces in the field with different supporters.

Zambia and Botswana were associated mainly with Mr. Nkomo.

Mr. Nkomo says he would have had nothing to gain by having Nkomo killed. Page 2.

Mozambique and Tanzania were more closely aligned with Robert Mugabe, who is now prime minister and who has resolved to turn Zimbabwe into a one-party state. Mr. Mugabe and his officials were long suspicious of Zambia's motives and, three years after independence, these doubts persist.

Since Zimbabwe's independence, a Western diplomat said, President Kenneth Kaunda of Zambia has "learned over backwards" in trying to reassure Mr. Mugabe that his support for Mr. Nkomo during a war will not be transformed into back-

ing for subversion in times of peace.

Thus, Mr. Kaunda refused Mr. Nkomo, a friend and confidant of long standing, when he asked to accompany the Zambian delegation to a summit meeting of the Organization of African Unity in 1980. Mr. Kaunda, attempting to signal goodwill to Mr. Mugabe, also turned down a request by Mr. Nkomo for a meeting.

Of late, Western sources said, Zambian police have arrested up to 50 of Mr. Nkomo's rebellious followers, known officially in Zimbabwe as "dissidents," who have attempted to seek sanctuary in their former rear base in Zambia.

But still, Zambian's suspicions linger and Mr. Nkomo's precipitous flight, which Zambians and Westerners in Lusaka interpret as a major blunder, has confronted Zambia with a potential problem.

"Nkomo must not embolden Zambia," a senior Zambian official said when asked whether Mr. Nkomo might find refuge in Lusaka after a stay in Botswana, where the authorities say he is to remain only temporarily.

Zambia remains critically dependent on the railroad line that

runs south from its copper mines, through Zimbabwe, to South African ports.

Over the past year, Zambia has been increasingly concerned by the threat to this route posed by insurgency in Zimbabwe's southwestern province of Matabeleland, where renegade soldiers who once fought under Mr. Nkomo's banner in the war against white rule are said to have killed more than 120 people — while government forces, in a campaign against them, are reported to have slaughtered 1,000 civilians.

A Western diplomat said that the fear is that dissident sabotage, or full-scale civil war, could sever the railroad lifeline.

The depth of Zambia's worries was illustrated in an editorial Friday in The Times of Zambia, a newspaper owned by Mr. Kaunda's United National Independence Party.

It said: "Zambia should have nothing to do with Mr. Nkomo. The irresponsible and implacable rumors circulating in Harare, London and other places that Zambia may offer refuge to Mr. Nkomo should be quashed once and for all."

It added: "Whatever the past was, the government of Prime Minister Robert Mugabe is the one Zambia deals with, not individuals outside that government — dissidents or not dissidents."

During the war years, Mr. Nkomo was feted in Lusaka as the true leader of the Zimbabwean black nationalist movement, but attitudes seem to have hardened. "He cannot come here," a Zambian businessman said, requesting anonymity. "We did enough for him during the war." The reference was to the Rhodesian raids and reprisals that Zambia attracted by being host to Mr. Nkomo's Soviet-supported guerrilla force.

But some Zambian officials assert that there is evidence of Zambian enmity in helping dissidents find sanctuary in Zambia. And, Western diplomats said, it is likely that Mr. Nkomo's guerrillas left arm caches in Zambia when the war finished.

"Zambia just cannot afford this crisis," a Western diplomat said. "If Nkomo slipped into this country there is no way the Zimbabweans would believe that Zambia had not been instrumental in getting him here."



Prime Minister Robert Mugabe of Zimbabwe, speaking in New Delhi at the nonaligned summit conference, denied Friday that he sent troops to kill the opposition leader, Joshua Nkomo. He said it was in the country's interest that Mr. Nkomo return and remain "very much alive" and said he believed Mr. Nkomo would be safe in Zimbabwe.

INSIDE

■ After 10 weeks of negotiations on Israel's conditions for withdrawing its troops from Lebanon, the central problem remains unsolved. Page 2.

■ President Reagan extends U.S. mining rights to a region covering about four million square miles of ocean. Page 3.

■ A Polish ski lift is an example of the ability of the authorities to create such stunning problems that they invite the creation of an underground alternative. Page 2.

BUSINESS/FINANCE

■ OPEC oil ministers acknowledge deep divisions but agree to go on arguing. Page 7.

ARTS/LEISURE

■ David Salle, one of the most vibrant young painters on the New York art scene, has a major show in Rotterdam. Page 6.

Russia's Copying Seems to Confirm That It Trails U.S. in Weaponry

By Michael Getler
Washington Post Service

WASHINGTON — One reason that a number of government analysts do not share President Ronald Reagan's view that the Soviet Union now has strategic military superiority over the United States is that the Russians, as one official put it recently, "are always catching up to us."

What he meant, and what, ironically, is documented by the Pentagon's new book, "Soviet Military Power," is that Moscow's prodigious military design bureaus and production ministries are among the world's leading imitators.

From anti-tank rockets to space shuttles, the Russians put into production weapons conceived of and produced first in the United States.

This is not to downplay the awesome military power of the Soviet Union. And by buying or stealing American technology and con-

cepts, the Russians save time and money and avoid the uncertainty of whether something will work.

But what does this say about Soviet inventiveness and, ultimately, Soviet military self-confidence? What it may say is that the Russians could come out second best in a battle because the West will always be one step ahead.

It would be wrong to overstate the implications of the recent success in Lebanon of Israeli forces, equipped with American weapons and some of their own, against Soviet-built planes, tanks and air defense missiles. The Soviet equipment was operated by Syrians. It is not the very best Moscow has to offer, was not present in vast quantities and was attacked by one of the world's best air forces. Nevertheless, the Israeli operation

showed that Western technological and tactical ingenuity can overwhelm front-line Soviet equipment.

Similarly, the Pentagon book reports that the Russians are using some of their newest equipment in Afghanistan. But they have not been able to take real control of that country.

There is some indication that the Russians fear they are second-rate thinkers when it comes to modern weapons. A year ago, the chief of staff of the Soviet armed forces, Marshal Nikolai V. Ogarkov, noted in a pamphlet that the United States was the producer of the weapons that represented the greatest breakthroughs, from atom bombs to nuclear-powered submarines.

The question also arises of how reliable are those Soviet weapons that are largely copies.

The Pentagon's new book por-

trays Soviet weaponry in largely uncritical terms. Every new weapon is "significant" or "impressive" or will "substantially increase" the threat. Readers are told, for example, that a new version of the Russian Fencer jet fighter-bomber with its all-weather, low-altitude penetration capability manifestly increases Soviet ability to carry out deep strikes into NATO territory.

Is the U.S. government certain of that? And will all those expensive, all-weather F-15 fighters the United States has sent to Europe in recent years be to no avail against the Fencers?

What is known is that the Russians' new intercontinental ballistic missile failed in its first test last October and that intelligence sources report that Moscow's newest submarine-launched missile has also experienced test failures. Soviet submarines in recent years have suffered some embarrassing inci-

dents, either going dead in the water or running aground.

What the Russians excel at is quantity. They have a huge army and 42,500 tanks in Europe alone. They produce 2,000 tanks and about 33,000 surface-to-air missiles each year, according to the Pentagon report. The sheer quantity of these conventional forces is what seems menacing, as does the size of Moscow's intercontinental missile force.

A big four-color drawing of a new anti-ballistic missile radar opens the Pentagon report. The radar looks just like one the United States built 10 years ago — but in the United States it was junked because scientists do not believe such radars make easy targets.

In contrast to the first version of this Pentagon report, published in 1981, the latest edition does include some comparisons with

American forces that add some balance. And at the end of the report, Defense Secretary Caspar W. Weinberger says that all this Soviet power should not "provide the slightest basis for despair" because the Reagan administration is rebuilding U.S. strength.

The U.S. Air Force and Navy are judged as superior to their Soviet counterparts. And American military leaders are not inclined to swap forces and equipment — or allies — with the Russians.

The Soviet Navy faces potentially enormous geographical disadvantages in wartime and can be bottled up in its home ports more easily than can allied fleets.

True, Soviet nuclear missile power is very real and very threatening. But so is that of the United States. Intelligence estimates indicate that each side has the power to deter, neither to overcome.

Reagan Is Urged By Percy to Offer New Missile Plan

Washington Post Service

WASHINGTON — Senator Charles H. Percy, chairman of the Foreign Relations Committee, urged President Ronald Reagan on Friday to submit a new proposal for limiting nuclear missiles in Europe to break the deadlock in arms talks in Geneva.

The Illinois Republican called for the administration to submit a new proposal during the current round of the talks, scheduled to adjourn late this month.

The senator argued that "there is no point in letting the Soviets score a propaganda coup by being the first to move away from their current negotiating position."

Mr. Percy's remarks were in a speech to an air force group in Rosemont, Illinois.



Foreign Minister Yitzhak Shamir of Israel with reporters after he arrived Friday in Washington. Mr. Shamir is to meet Sunday with Secretary of State George P. Shultz.

Shamir's U.S. Trip: A Search for Compromise

By David K. Shipler

New York Times Service
JERUSALEM — After 10 weeks of direct negotiations on Israel's conditions for withdrawing its troops from Lebanon, the central problem remains unsolved: how to reconcile Israel's demand for security with Lebanon's desire for sovereignty.

The conflict is expressed in Israel's determination to retain some military presence in southern Lebanon. The Lebanese have resisted, fearing trouble with the Arab world over such an arrangement, and possibly a refusal by Syria to withdraw its forces from northern and eastern Lebanon.

After unsuccessful U.S. efforts to bridge the gap, Israel's foreign minister, Yitzhak Shamir, began a five-day visit to the United States on Friday in search of a compromise. He is to see Secretary of State George P. Shultz on Sunday and meet with other officials.

Foreign Minister Elie Salem of Lebanon is reportedly due in Washington at the same time, although it is not clear whether he and Mr. Shamir will meet.

"It's very difficult to find an easy solution," Mr. Shamir said.

NEWS ANALYSIS

Wednesday in an interview in his office. "We think a certain Israeli presence is necessary for a limited and agreed period until the Lebanese Army and security services will be able to assure the security in these areas."

The question is how the presence is to be defined. But the impression prevails that since Ariel Sharon resigned as defense minister last month, the Israeli stance has become slightly more flexible.

Mr. Sharon put forth a demand for five observation posts in southern Lebanon, manned by about 750 Israeli soldiers and intelligence agents with the right to search

houses, stop people on the street, detain and question people in pursuit of Palestinian guerrillas who might try to infiltrate the area.

"We've not given up the idea," Mr. Shamir said. He repeated Mr. Sharon's suggestion that the outposts exist only until Israel was convinced that the Lebanese Army was ready to assume the burden alone. This would take no less than one year, he estimated.

But privately, some Israeli officials concede that they have almost no chance of gaining Lebanese — and therefore, U.S. — agreement. As a result, fallback positions have been developed, designed to eliminate the stigma of full-time Israeli deployment in Lebanese territory, while retaining intimate Israeli involvement in policing a security zone running about 25 miles (40 kilometers) into Lebanese territory.

Israel and Lebanon have reportedly agreed on integrating the Israeli-supplied militia of Major

Saad Haddad into the Lebanese Army, where the approximately 1,800 militiamen would form the basis of a brigade of 2,500 to 3,000 troops.

This unit, which the Lebanese would agree not to transfer elsewhere, would work closely with the Israeli Army, according to well-placed officials. Israel wants Major Haddad, a trusted ally, to command the unit, while Lebanon regards him as an army deserter; both sides are reportedly willing to compromise by giving him a lesser position in the army, outside the south.

The other troublesome issue is Israel's demand that even without signing a full peace treaty, Lebanon should agree to normalize relations, establish trade and tourism, and permit liaison offices.

Officials say that Lebanon has agreed to a declaration of intent, but is afraid of being subjected to an

Arab boycott if it allows Israeli goods to enter. Tourists are reportedly less of a problem, and Israel will reportedly get its office in Lebanon, although the Lebanese may not be willing to establish liaison offices.

Lebanon has suggested that the border be closed when Israeli troops withdraw, and that negotiations begin six months later on a final agreement. Lebanese officials have reportedly indicated that they would look the other way while the border remained open, without a formal pact.

But Israel, figuring that it would have no leverage after pulling out its troops, has insisted on at least an interim, signed agreement on open border.

Part of Mr. Shamir's task will be to convince Mr. Shultz and other U.S. leaders to support this position more vigorously, in the interest of extending the peace process in the region.

Attack Fails On Holy Site In Jerusalem

By Edward Walsh

Washington Post Service
JERUSALEM — Alerted in advance, the police in Jerusalem broke up late Thursday night what they described as a well-organized attempt by Orthodox and nationalist Jews to establish a settlement on the Temple Mount, a holy site to Jews and Moslems in the Old City of Jerusalem.

The police arrested 45 persons. They later released four after determining that they were not involved in the attempt. The others remained in custody Friday and will be brought before a judge on Saturday night for permission to keep them in custody until they are brought to trial on formal charges.

Local officials, including Mayor Teddy Kollek, condemned the takeover attempt and worked Friday morning to prevent a violent Arab reaction. There were no reports of serious disturbances Friday in East Jerusalem.

The police said some of those arrested were followers of Rabbi Meir Kahane, who founded the Jewish Defense League. That group advocates the forcible expulsion of the Arabs from the West Bank, Gaza Strip and Israel itself.

They also included residents of Kiryat Arba, a nationalist Jewish settlement on the West Bank, and soldiers who were not in uniform. Some of those arrested were armed, the police said.

The Temple Mount is the site of the ancient temple of King David, the Dome of the Rock mosque, and the al-Aksa mosque. The Dome of the Rock, also known as the Mosque of Omar, shelters a rock from which the Prophet Mohammed, according to Islamic belief, ascended to heaven, and upon which, according to the Old Testament, Abraham prepared to sacrifice Isaac. The site is under the jurisdiction of an Islamic council.

Labor Chooses Herzog

The Associated Press

TEL AVIV — The opposition Labor Party on Friday nominated Chaim Herzog, 61, a former diplomat and army intelligence chief, to run against Menachem Begin, a Supreme Court justice and the nominee of Prime Minister Menachem Begin's Likud coalition, for the ceremonial position of president. Election by secret ballot will be held in the Knesset, Israel's parliament, on March 22.

Nimeiri Starting 15th Year of Rule Beset by Libya, Domestic Turmoil

By William E. Farrell

New York Times Service
KHARTOUM, Sudan — With internal political divisions, an external threat from Libya and a ruined economy, Sudan is struggling to maintain at least a veneer of stability as the regime of President Gaafar Nimeiri enters its 15th year.

The Sudanese Socialist Union, the country's only legal political entity, recently again named General Nimeiri as its chairman. Since he has no opponent on the ballot, he is certain to be re-elected to a third six-year term as president in a national plebiscite to be held in April.

General Nimeiri, who has survived a number of coup attempts, came to power in 1969 when he engineered a takeover of the government. He ruled as head of a junta until 1971, when he was first elected president of the largest country in Africa and one of the poorest nations in the world.

A few weeks ago he sent out a distress signal, saying the Libyan leader, Colonel Moamer Qadhafi, was massing troops near the Sudanese and Egyptian borders. He accused the Libyan leader of planning to overthrow him on Feb. 18. The plot, Mr. Nimeiri said, was foiled by Sudanese intelligence agents.

There were some who suspected that General Nimeiri was crying

wolf about the Libyan threat because he had warned of Libyan coup efforts in the past, ever since an abortive Libyan-backed attempt to overthrow him in 1976 led to two days of bloodshed in Khartoum.

But officials and diplomats here say the threat, which has now abated, was real. They also point to the fact that General Nimeiri's ally, President Hosni Mubarak of Egypt, was quick to assert the validity of their mutual defense pact. The United States also briefly sent four surveillance planes and the aircraft carrier Nimitz to the area.

Despite the constant bickering from Libya, the Sudan's economy is forecast in the minds of this varied and nearly ungovernable collection of religious groups and tribes.

General Nimeiri is aware of this and during the recent party congress was greeted enthusiastically when he said:

"Our needs call for tractors, not guns, and our land awaits bridges and canals, not military installations. We need shelter against famine and disease rather than self-destruction."

Economic statistics concerning Sudan and its approximately 20 million people are dispiriting. It has a foreign debt of about \$8 billion, and foreign lenders are constantly rescheduling dates for payments because the government's treasury is often empty.

Sudan currently spends nearly three times more than it earns, and its chief export, cotton, has been hard hit by declining prices. Its main import, oil, costs the country about \$500 million a year.

Many basic foods are imported and prices for such essentials as bread and cheese are three to four times what they do in neighboring Egypt, which is in an economic quagmire.

The southern region is far in distance and culture from Khartoum, which is predominantly Arab and Moslem. There are about 115 tribes in the south, mainly Christian and animist, and there are many feuds among them.

Mr. Nimeiri is pursuing a policy of decentralization in the south and the notion of regional autonomy is appealing to some and distasteful to others who feel that it will intensify their isolation and further cut them off from the necessities that are doled out by the Nimeiri government.

Lately there have been secessionist incidents in the south caused mainly by the Anyanya Two Movement.

The country is heavily reliant on foreign aid, but what it gets is only a fraction of what it needs. In 1982 U.S. economic assistance amounted to \$160 million and military aid was about \$100 million.

Sudan has great fecund stretches of countryside as well as vast bar-



Gaafar Nimeiri

ren wastes with staggering heat and whirling sand. It is estimated that only one-eighth of the cultivable land is being farmed.

Given the economic morass, growing student discontent and the constant shortage of essentials, how does General Nimeiri retain power?

Officials and diplomats here say he is an adept maneuverer. Although he has come perilously close to the abyss, they say, he has managed to make sure that there is no alternative to himself.

He is abetted, one official said, by a fence-sitting, carping opposition that shows "little interest in taking over a country in such a large economic mess and so difficult to govern."

Murder Plot Is Denied By Mugabe

Compiled by Our Staff From Dispatches

NEW DELHI — Prime Minister Robert Mugabe of Zimbabwe denied Friday that he had sent troops to the house of Joshua Nkomo, the opposition leader, to kill him.

"I am not an assassin," Mr. Mugabe said at a press conference at the nonaligned summit meeting in New Delhi. "What would I gain by having him killed? It would only make him even more of a martyr. It is in our interest that he return to the country and remain very much alive."

Asked about the reported arrest Thursday of Mr. Nkomo's wife, Johanna, he said, "No one would be arrested without reason."

Mrs. Nkomo, contacted by telephone at her Bulawayo home, said she was released Friday after two days in detention, but said that her son, Tuli, and daughter and son-in-law, Thandwe and John Ndlovu, were still in custody on suspicion that they had assisted Mr. Nkomo's secret departure for Botswana.

Mr. Nkomo, 65, fled Tuesday, two days after members of the Zimbabwe Army's 5th Brigade raided his house in Bulawayo, killing his driver. Mr. Nkomo later told reporters that he would have been killed if he had been home.

Lebang Mpotokwane, administrative secretary to Botswana's president, Quett K.J. Masire, told reporters in Gaborone that Mr. Nkomo's stay in Botswana had been longer than expected because of difficulty in finding another destination.

"It is possible he could be stuck here. But we hope that won't be the case," he said.

A spokesman for the Foreign Office in London said Friday that British officials have spoken to Mr. Nkomo about whether he plans to seek refuge in Britain, but said that no such application has been received from Mr. Nkomo.

Asked at the press conference if Mr. Nkomo was safe in Zimbabwe, Mr. Mugabe replied, "I think so, very safe indeed."

Mr. Mugabe recalled that three weeks ago Mr. Nkomo was taken off a plane going to South Africa as the first stage of a visit to Europe. Officials confiscated his passport. Mr. Mugabe said Mr. Nkomo had planned to hold a press conference in South Africa and meet with government officials.

Nonaligned Nations Assail U.S. on Mideast

By John Rogers

Reuters

NEW DELHI — The nonaligned summit meeting Friday condemned U.S. policy in the Middle East, called for a halt to the nuclear arms race and castigated South Africa and Israel.

Resolutions, to be endorsed by a final conference session that was expected later in the night, also called indirectly for the withdrawal of foreign forces from Afghanistan and Cambodia and backed Argentina's claim to the British-held Falkland Islands.

Last-minute wrangling between Iran and Iraq delayed a final statement on the Gulf war, a major concern at the five-day conference of leaders from 101 Asian, African, Latin American and European states.

A strong statement of the Third World's stand on the desperate plight of developing nations was

also put up for formal approval by the summit meeting.

In long declarations on world trouble spots, the nonaligned countries restated full support for a Palestinian state and condemned Israel "for its continued occupation of Palestinian and other Arab territories and for its persistent acts of repression against the Palestinian people."

The summit meeting accused the United States of violating "the commitments it had undertaken to guarantee the safety and security of Palestinian refugees." It also condemned U.S. military and political support for Israel.

A section on Lebanon called for the withdrawal of Israeli troops and urged all countries "to endorse Lebanese efforts to secure the withdrawal of all non-Lebanese forces."

This was at the insistence of President Amin Gemayel of Lebanon, who said an earlier draft was

inadequate because it did not cover Syrian and Palestinian forces still in his country.

Condemning South Africa for "systematic and barbarous acts of oppression and discrimination," the conference called for a United Nations Security Council meeting to consider action to achieve early independence for South-West Africa, also known as Namibia.

It accused the United States of pursuing the "extraneous issue" of a withdrawal of Cuban troops from Angola, which Washington and Pretoria have made a condition for Namibian independence.

The conference called for the withdrawal of all foreign forces from Cambodia, without naming Vietnam, and urged all states in the region to settle their differences through talks. Vietnam invaded Cambodia to set up a pro-Hanoi government in Phnom Penh in

1979 and has an estimated 180,000 troops there.

After bitter argument, the non-aligned foreign ministers decided last week to leave Cambodia's disputed seat in the movement vacant.

The summit declaration also avoided mentioning the Soviet Union by name in its resolution on Afghanistan, where Soviet forces intervened in 1979.

It called for a political settlement in Afghanistan on the basis of withdrawal of all foreign forces and the right of almost four million Afghan refugees in Pakistan and Iran to return home safely.

Nonaligned leaders urged Moscow and Washington to keep East-West disputes out of Central America and called on the United States to adopt "constructive positions" in favor of peace in Nicaragua and El Salvador.

At a Polish Ski Lift, as in Everyday Life, Having Pull Is What Counts

By John Kifner

New York Times Service
ZAKOPANE, Poland — The entrepreneur was a small businessman, perhaps 13 years old, with a mischievous smile and quick eyes that darted around the crowd at the ski lift.

The deal was made out of the corner of the mouth. A ticket for cabin 15 on the cable car that would leave in 20 minutes. It had to be cabin 15 to match the ticket already purchased from a fat man in a parka loitering near the bus stop. The youth nodded and disappeared. All around, similar deals were being made.

He was back in a moment, stepping behind a pillar and flashing the ticket in the palm of his hand. It would be 360 zlotys, or more than \$4, only three times the posted price. A good deal, for this was an overcast day and the crowds were scarce. On a fine Sunday, skiers here say, the price can go up to 1,000 zlotys or more for the ride up the mountain.

For Poles, Zakopane, once a tiny

village of rugged independent mountain shepherds high in the Tatra Mountains near the Czechoslovak border, is virtually a synonym for holiday.

And Zakopane is in many ways a microcosm of Poland today. The major ski lift at Kuznice, for instance, is a prime example of the ability of the authorities to create bureaucratic procedures of such stunning unworkability that they simply invite the creation of an underground alternative.

It is a system that permeates Polish life, where the key to survival is the network of *kombinacje*, or contacts that allow one to beat the system.

Unlike most lifts, where one simply buys a ticket and lines up, the cable cars that carry skiers to the top of Mount Kasprowy are numbered and assigned specific departure times. Guards check to make sure that the time ticket and car ticket match; no one is supposed to be let on earlier or later. It is a system that begs for subversion.

The most visible impact of the

imposition of martial law, skiers say, is the return of the special privilege lines.

The special lines were abolished during the heyday of the independent union Solidarity. But now the privileged are again flashing special passes that let them cut to the head of the line. They may be party officials, wealthy black marketers or private businessmen, or even locals with a particular *kombinacja*, such as the ability to obtain the scarce spare parts to keep the lift running.

At least some of the special passes are supposed to be for athletes training for the national teams, but the paunches of many of the middle-aged holders speak more of power than of Alpine prowess.

Zakopane is at the center of the Podhale, the region of high pastures and jutting, rocky peaks that is the home of the *gorale*, or mountaineers, who occupy a special place in Polish folklore.

It first attracted attention as a health spa at the turn of the century, when the mountain air was thought to cure tuberculosis. Soon artists and intellectuals and the wealthy came. Among the notables was the composer Karol Szymanowski, who wove the shepherds' songs into his symphonies.

But in the Stalinist 1950s, it was decided that Zakopane was to be a workers' paradise too, touching off a construction boom. Blocks of gray, drab, dormitory-like buildings, allocated to factories, steelworks, mines and industrial combines sprang up, shouldering aside the traditional mountaineer houses of squared-off cedar logs.

Some of the *gorale* made fortunes selling off their land. Others, who did not move fast enough, had it confiscated. In the outlying villages, the mountaineers try to cling to traditional ways. The horses that



A mountaineer waits with his sleigh for a fare outside a hotel in Zakopane, Poland.

pull the vacationers' sleighs are still used to haul logs and coal, as they are in most of rural Poland.

But, for better or worse, life has inescapably changed.

Andrzej Bachleda, the craggy-faced patriarch of a *goral* clan, remembers trying to make his son, himself as a small child. His grandfather threw them away, shouting, "These are not for us, we are made only for work."

Mr. Bachleda went on to become Poland's skiing champion as well as an international concert singer, and his two sons are world-class skiers. Still, he wonders,

"Change is inevitable," he said over homemade vodka flavored with black currants. "But for the authentic mountain people, civilization is always a threat."

For some of the old-timers here, the symbol of civilization's encroachment is the mammoth new Hotel Kasprowy on the edge of town, the prime playground of Poland's wealthy and privileged, who are derided as show-offs as they flaunt their ski dogs.

The hotel is, of course, fully booked, but a certain cab driver in Krakow can produce a reservation within an hour.

The folders and signs in the hotel offer a number of restaurants, but there is only one, and with a long line to get in. There is a seven-page menu, but only the food on the first page is available.

Because of the food shortage, many of the restaurants in town have been closed. At the writers' club, a spare but comfortable boarding house where many of the country's most articulate malcontents are wintering, a poet burst in the other day, shouting, "There are lemons in the store! And only 21 people in line!"

Wounded Turkish Diplomat Dies

BELGRADE (AP) — Ambassador Galip Balkar of Turkey, 47, died here Friday, two days after being shot and gravely wounded by two Armenian gunmen in central Belgrade, Belgrade television reported.

Mr. Balkar had been in a deep coma since the attack, which took place late Wednesday morning at a busy intersection on Revolution Boulevard, near the Turkish Embassy. His driver was also shot; he was in stable condition in a hospital. A student died from wounds after being shot by one of the fleeing gunmen. A retired army officer who was wounded was still reported in serious condition.

One of the gunmen, Haroniony Krikor Levonian, 23, was seriously injured by a Yugoslav security man as he tried to escape, while the other assailant, Rafi Alexander Elbekjan, 21, was arrested eight hours later in Novo Sad, a town 40 miles (70 kilometers) north of Belgrade.

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Reagan Widens Rights To Ocean Mining by Setting 200-Mile Zone

United Press International
WASHINGTON — President Ronald Reagan has extended U.S. mining rights to a region covering about four million square miles of ocean by declaring an exclusive economic zone of 200 nautical miles.

The proclamation, which took effect immediately upon being issued Thursday, stakes out U.S. rights to explore and mine all minerals in the zone, including oil and gas, and extends to production of energy from currents and winds. It does not directly affect fishing rights, which vary according to the species involved, or territorial waters, which remain at three nautical miles off the U.S. coast.

Officials said the economic zone would not affect the rights of other nations to use the waters and air space for navigation or for most kinds of fishing, but some senators said they would introduce legislation to expand the protected fishing zone.

The United States declared that the waters adjacent to the United States, Puerto Rico, and all U.S. overseas territories, including the Pacific Trust territories, are an exclusive economic zone.

U.S. officials said it is consistent with the Law of the Sea Convention, which the United States has refused to sign. The convention, negotiated at the United Nations, was signed by 117 nations. The United States and 20 other countries declined.

The United States regards as restrictive and inimical to free enterprise the convention's methods for dealing with the mining of seabed rocks that are beyond national jurisdiction. Under the system, private consortia would have to be licensed by an international authority that would regulate all such mining.

Mr. Reagan's proclamation aims to protect U.S. rights to the mining of minerals, such as manganese nodules and sulfide deposits. The decision ended a two-year debate within the administration about how to deal with the Law of the Sea Convention.

Officials said 56 other countries have made similar claims to exclusive economic zones. In areas where the nationally claimed zones overlap, such as the Caribbean, or in the Aleutians, the area would be divided in accordance with international law — usually by drawing a line down the middle.

Some marine scientists said the state has entered a period of intense weather that will slice deeper and deeper into California's coastline of more than 1,000 miles (1,600 kilometers) until many beaches have been washed into the sea.

"We are on an eroding coastline," said Dr. Douglas L. Inman, director of the Center for Coastal Studies of Scripps Institution of Oceanography near San Diego and the leading proponent of the view that many California beaches are doomed.

Not all specialists in the field share his view, but most agree that the state's shoreline has been receding since 1978. And they say that over the last 30 years, when most development along its coast occurred, California was experiencing an atypical period of very mild weather. They say it is foreshadowing the U.S. government to foster home-building on the coast through subsidized flood insurance and low-interest disaster loans after storms.

The most severe damage this year was caused by a storm in January and another last week that hammered the shore with waves up to 16 feet (five meters) high.

From San Diego to points north of San Francisco, beaches have disappeared, the sand carried into the ocean by powerful tides. Roads and beach parking lots have been washed away. Piers that had stood for decades are gone.

On Thursday, residents of Big Sur, a coastal village about 125 miles south of San Francisco, were carefully watching a huge chunk of rain-soaked mountain that has shifted toward the sea.

The section of earth — a quarter-mile long, 300 feet wide and 100 feet high — moved about six feet Wednesday, dropping onto California Route 1, the Coast Highway. Geologists said it would be two or three days before they knew whether the piece of mountain had stabilized or posed a danger to nearby residents.

Thirty miles north of Big Sur, in Carmel, which has long boasted of having one of the most scenic white-sand beaches in America, the beach is gone, covered by the sea.

Here in Los Angeles, the surf now laps over vast areas of beaches where, a few weeks ago, lifeguard stations stood and bathers sunned themselves.

In the past, Dr. Inman said, sand washed away during heavy storms was later replenished by rivers and streams, which carried the sand from river beds to the shore. But in the future, he continued, it is likely that much of the sand lost to the sea will not be replaced because most of the state's major rivers have been dammed, and other coastal developments have interfered with the movement of sand along the coast.

Other scientists believe this year's storms were caused at least in part by particles thrown into the atmosphere by a string of major earthquakes around the world since 1978. Like Dr. Inman, they said they believed that the coast now faced several years of severe weather.

But Mr. Meese and Mr. Watt had set the wheels in motion for Mrs. Burford's departure. "Watt came to us in behalf of Burford and went back to Anne in behalf of us," one White House official said Thursday.

It was Mr. Meese whom Mrs. Burford saw before delivering her resignation to the president; it was Mr. Meese and Mr. Watt who went to the White House residential quarters with her; and it was Mr. Meese who spoke with her afterward in his office.

Other White House officials had given their blessings to the growing demand among Republicans for Mrs. Burford's removal. Governor Thomas H. Kean of New Jersey, in urging Wednesday that Mrs. Burford step down, knew that the White House welcomed his statement.

Sources in the administration and in New Jersey said Mr. Kean



The broken pilings and planks of the Santa Monica Municipal Pier, which once extended another several hundred feet into the Pacific, lie in a heap following the destruction caused by recent storms. Restoration of the 67-year-old pier will cost about \$9 million.

California Finds Its Coast Eroding As Weather Patterns Seem to Shift

By Robert Lindsey
New York Times Service

LOS ANGELES — The tropical storms that swept scores of homes into the Pacific Ocean and eviscerated parts of the scenic coastline this winter have fundamentally eroded long stretches of the California coast.

Some marine scientists said the state has entered a period of intense weather that will slice deeper and deeper into California's coastline of more than 1,000 miles (1,600 kilometers) until many beaches have been washed into the sea.

"We are on an eroding coastline," said Dr. Douglas L. Inman, director of the Center for Coastal Studies of Scripps Institution of Oceanography near San Diego and the leading proponent of the view that many California beaches are doomed.

Not all specialists in the field share his view, but most agree that the state's shoreline has been receding since 1978. And they say that over the last 30 years, when most development along its coast occurred, California was experiencing an atypical period of very mild weather. They say it is foreshadowing the U.S. government to foster home-building on the coast through subsidized flood insurance and low-interest disaster loans after storms.

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Sources in the administration and in New Jersey said Mr. Kean

first asked Richard S. Williamson, White House assistant for intergovernmental affairs, whether New Jersey, which needs federal anti-pollution funds, would be stigmatized if he called for Mrs. Burford's resignation.

Mr. Williamson, who reports to Mr. Baker, said it would be "O.K. with the White House," one source said.

Officials said Mr. Baker, Mr. Fuller and Richard G. Darman, a presidential assistant, had become convinced by early last week that the EPA controversy was damaging the Reagan presidency just as signs of economic recovery were giving it a boost. Public opinion surveys showed that a significant majority of Americans were convinced that the EPA and Mr. Reagan were favoring business at the expense of the environment.

Then Fred F. Fielding, the White House counsel, told Mr. Baker that Matthew L. Novick, a former EPA inspector-general, had warned Mrs. Burford nearly a year ago of possible conflicts of interest involving her former aide, James W. Sanderson. Mr. Baker became convinced, officials said, that Mrs. Burford should be removed from the EPA before the Justice Department completed its investigation into the Burford-Sanderson relationship.

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White House Begins Delicate Job Of Selecting a New EPA Director

Compiled by Our Staff From Dispatches
WASHINGTON — The White House has taken up the delicate task of choosing a new administrator for the Environmental Protection Agency and of containing the political damage caused by the dispute with Congress.

The dispute, which led to the resignation Thursday of Anne McGill Burford, the EPA administrator, already has caused serious political damage to President Ronald Reagan and the Republican Party, White House and party officials said Thursday.

By withholding documents from congressional investigating committees and permitting the dispute to drag on for almost three months while he firmly supported Mrs. Burford, Mr. Reagan allowed suspicion to grow that the White House was involved in a cover-up, the officials told the Los Angeles Times.

Frank J. Fahrenkopf Jr., chairman of the Republican National Committee, said the congressional investigations so far had produced "no clear violation of the law." The problem, however, is that "the longer the controversy drags on the more it intensifies a view that the administration and the president and the Republican Party as well are anti-environment," he said.

Two other Republican officials, who declined to be identified, said the party has suffered politically along with the president as the dispute has continued and the investigating committees have brought

out allegations of mismanagement and wrongdoing at the agency. But a senior White House official said that "with Anne Burford's resignation, we're looking for the story to move off Page One in about a week. Hopefully, it'll finally go away unless there is some evidence of a cover-up."

"It's important who we appoint" as a successor, one ranking presidential aide told The New York Times. "And we have to clearly demonstrate our concern on the environment in the coming months." But he said that if newly released EPA documents "show no great illegalities, we'll be O.K."

Representative Guy V. Molinari, a New York Republican, said, "I have seen a few of the documents and some of them will prove very, very embarrassing to the White House, to say the least. But even at that, I cannot understand how the White House chose to make such a terrible blunder with the executive privilege fight."

The chairmen of congressional subcommittees investigating the EPA have said that Mrs. Burford's resignation and the Reagan administration's promise to release subpoenaed agency documents will not slow the investigations.

White House officials said selection of a successor is likely to take several days of very careful consideration that will include consultation with Congress.

John W. Hernandez, who had been deputy director of the agency, was named acting administrator after Mrs. Burford's resignation.

Secretary James G. Watt, who had been Mrs. Burford's mentor. These sources said Mr. Watt was talking to Mrs. Burford about resigning at the same time Mr. Meese was convincing the president to accept her resignation.

The groundwork had been laid in a meeting in San Francisco the previous Friday, when aides tried to persuade the president to fire Mrs. Burford. He told them he would not.

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Withholding-Tax Issue Delays Job Bill in U.S.

Compiled by Our Staff From Dispatches
WASHINGTON — The Senate, facing a vote threat from President Ronald Reagan, temporarily put aside Friday an amendment repealing withholding taxes on investment income and quit for the weekend without completing action on a \$3.7-billion job bill.

The Senate majority leader, Howard H. Baker Jr., a Tennessee Republican, had hoped to finish work on the bill Friday night. But he said that because the chamber was "decimated by absentees" he had decided to wait until Monday to complete action of the measure.

Earlier, the Senate easily defeated a Democratic attempt to add \$1.7 billion worth of job programs and aid for recession victims.

The administration-backed emergency job program would cost \$3.7 billion, placing emphasis on state-headed job by unemployment insurance. The bill also contains \$5-billion to replenish the federal unemployment trust fund that would otherwise run out of money on Tuesday. The fund lends money to states to pay unemployment claims.

Mr. Reagan entered the battle Friday after it appeared that the bill, which has bipartisan support, could be jeopardized in the Senate by a politically popular amendment that would repeal a law requiring the automatic withholding of taxes on interest and dividends.

The amendment has been backed by an avalanche of constituent mail generated by the banking industry.

"This intensive lobbying they've done has led to a great distortion of the situation," Mr. Reagan said in an informal news conference. "They've led many people to believe, or to ignore the fact of how

many millions will be exempt from withholding."

"I've always said that I resist saying in advance whether I will veto or not. There are always exceptions to the rule and this is an exception. Yes, I would veto such legislation," the president added.

Under the withholding law, which was passed last year as part of a general tax bill, 10 percent of income from dividends and interest will be withheld starting July 1.

Under heavy pressure from the banking industry, however, a majority of members of both houses have endorsed repeal even though it is estimated that the action would add about \$20 billion to federal deficits over the next five years.

Although Senator Robert W. Kasten Jr., a Wisconsin Republican, apparently had enough votes to gain approval of his repeal amendment, Mr. Baker used a parliamentary tactic to postpone consideration until later in the day.

Mr. Baker and the Senate minority leader, Robert C. Byrd, Democrat of West Virginia, indicated earlier that they did not know if they could muster enough votes to defeat the repeal amendment.

An aide to Mr. Baker said an easy solution would be to let the Kasten amendment pass and then have it knocked out in the conference committee with the House, which passed a \$4.9-billion job bill last week without the repeal amendment. But the aide said Mr. Baker did not want to let the industry win even a symbolic vote.

The chairman of the Senate Finance Committee, Robert J. Dole, a Kansas Republican, who supports the withholding law, threatened Thursday to stage a filibuster against repeal.

expected to be on President Ronald Reagan's desk before the end of this month.

Just over 300,000 Social Security checks are mailed abroad every month and it is estimated that about two-thirds of these go to non-Americans and their dependents.

If the language is adopted, it will cut off benefits to future retirees in all but nine nations — Greece, Ireland, Israel, Japan, the Netherlands and Nicaragua, which had Social Security treaties, and Italy, West Germany and Switzerland, which have reciprocal agreements. Agreements with Belgium and Norway have been signed but have to be approved by the Senate, and an agreement with Canada awaits a separate agreement with Quebec.

However, benefits now being paid to nonresident aliens would not be affected by the measure. In addition, payments to citizens of some countries having Social Security treaties or reciprocal agreements with the United States will not be affected. When such agreements are negotiated with other nations in the future, their citizens will become eligible for full benefits.

Alien dependents of Americans receive full benefits even after death of their spouses or parents.

The entire revenue package, which passed last Thursday, will go to the Senate floor early next week. Its passage is all but assured, with all hands to go to a Congressional conference where differences in the House and Senate versions will be resolved. No language relating to nonresident aliens is in the House version. The plan is

Donald Maclean Dies; Figure in Spy Scandal

(Continued from Page 1)

None of Mr. Maclean's close relatives — his American wife, Melinda, and their three children, Ferns, Donald and Melinda, was present. All live in the West. Also missing was Kim Philby.

Following his graduation from Cambridge, Mr. Maclean joined the Foreign Office and was first posted in Paris in 1938 as a third secretary in the British Embassy. In Paris he met his American wife.

In 1944, Mr. Maclean was sent to the British Embassy in Washington and remained there until 1948. For the last year of his tour in Washington he was the British representative on the Combined Policy Committee on Atomic Development, which also had representatives from the United States and Canada.

It is believed that he supplied Moscow with priceless information on the subject. While in Washington, he also had access to secret materials of the U.S. Atomic Energy Commission.

In 1948, Mr. Maclean was promoted to a senior position at the British Embassy in Egypt, where he drank heavily. At one point he was arrested in a drunken condition in Alexandria and was held for two days in jail.

Following the incident, Mr. Maclean was given a six-month leave of absence and was transferred to London, where he became head of the American department in 1950. He was fully briefed on all aspects of U.S.-British relations, which he was able to pass on to Moscow.

The next year, suspicious about numerous leaks narrowed down to Mr. Maclean as a possible Soviet agent. Warned by Mr. Philby, who had joined British intelligence in 1940, Mr. Maclean and Mr. Burgess fled to France and on to Moscow.

Mr. Maclean, who took Soviet citizenship, worked for many years at the government research institute and published extensively under a pen name. As far as it could be known here, he has not written his memoirs. He has been ailing for some months and was hospitalized in early January.

The Labor Party won power Saturday, sweeping up Prime Minister Malcolm Fraser, who had headed a Liberal-National Party coalition for seven years. Mr. Hawke's 27-member government is composed mostly of Labor moderates.

As Mr. Hawke was being sworn in, the Liberals were electing a new leader, Andrew Peacock, 44, a former foreign minister.

Mr. Fraser, 53, the second longest-serving prime minister in Australian history, resigned as party leader after the election and is expected to retire from politics soon.

Mr. Peacock challenged Mr. Fraser for the party leadership in 1982 but lost, 54-27.

was a relationship "not of synchronicity, but where we, realizing our close ties with the United States, nevertheless were prepared to criticize if we thought they were not pursuing an appropriate course of action," Mr. Hawke said.

His broadcast did not mention Labor's onetime opposition to U.S. bases in Australia.

Mr. Hawke also said his close personal relationships with the leaders of Egypt and Jordan and the people of Israel might enable him to play a role in the Middle East.

In Asia, he said his government would work to restore good relations with Indonesia, which the Labor Party criticized when it annexed East Timor.

Ulf von Euler, Nobel Laureate In Medicine, Dies

The Associated Press

STOCKHOLM — Ulf von Euler, 78, winner of the 1970 Nobel Prize in medicine, died here Thursday, his family and colleagues announced Friday.

A pharmacologist and biochemist, Mr. von Euler detected the prostaglandin hormone group in the 1930s. His most renowned discoveries were the nerve hormone noradrenalin and how information is transmitted among nerve cells through signal substances, which earned him his Nobel award. He shared the prize with Julius Axelrod, an American, and Bernard Katz, a Briton.

Mr. von Euler was a member of numerous foreign academies and held honorary doctorates from 10 universities. He was secretary of the Karolinska Nobel committee in the 1950s and 1960s and chairman of the Nobel Foundation from 1965 to 1976. His father, Hans von Euler, received the Nobel Prize in chemistry in 1929.

Other deaths: Evsei Liberman, 85, an economist whose proposals to enhance the profit motive launched an abortive effort in the 1960s to reform the Soviet economy. The report in the magazine *Eko*, which is published by the Soviet Academy of Sciences, gave no details of his death.

Paul Gerály, 98, a French poet and playwright whose most famous work was the 1913 volume of verse "Toi et Moi," Thursday in Neuilly-sur-Seine, France.

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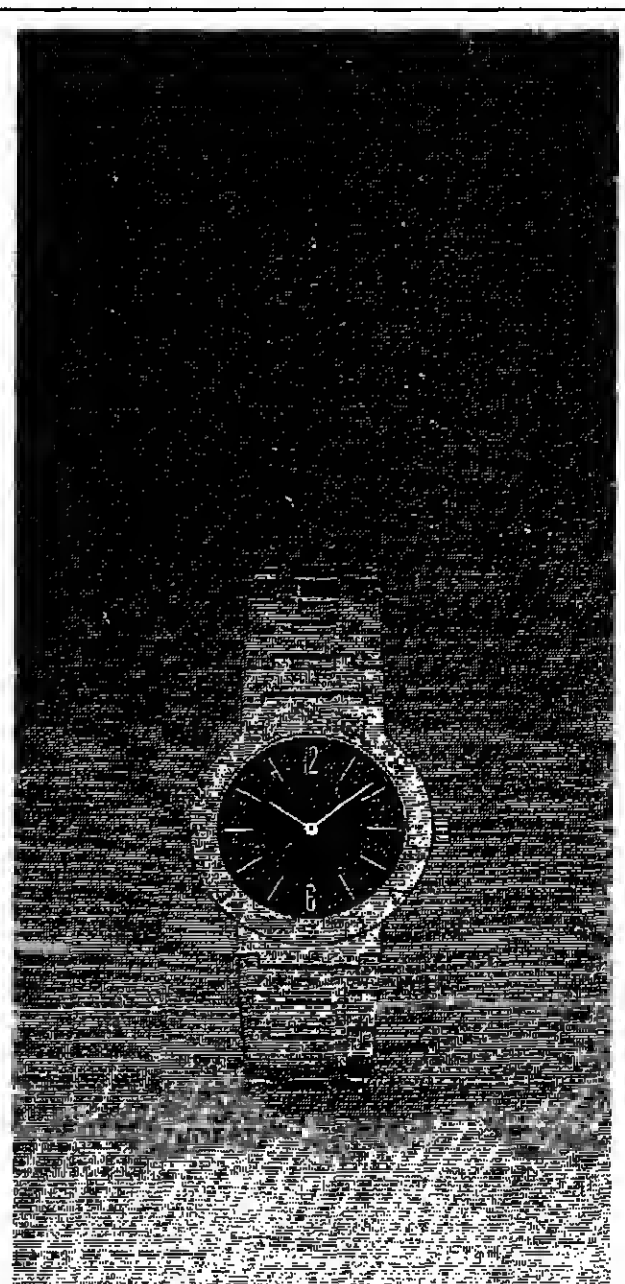
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INTERNATIONAL Herald Tribune

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Pious Nuclear Prattle

After all the pious on both sides about a nuclear "freeze," can we please get back to policies? Most members of Congress are now merely mouthing an arms control slogan with proven voter appeal. When pushed to define it, they are all over the lot.

Some would freeze arms production, testing and deployment by agreement with the Soviet Union; others would do it unilaterally. Some want a freeze as a prelude to arms reductions; others want reductions and then a freeze. Some want to pressure the president to negotiate faster; others think their freeze formulas support his diplomacy. Thus the freeze idea, once a useful prod to an administration lukewarm toward arms control, has become a catchall to exploit fear and discontent.

But turn away from the sheep and you confront even greater sanctimony in the wolf. Having failed in a shabby effort to brand the freezies as dupes of the Kremlin, Mr. Reagan now approaches arms control through the Gospel. "There is sin and evil in the world and we are enjoined by Scripture and the Lord Jesus to oppose it with all our might," he says. Anyone who suggests that American and Soviet policies share blame for the arms race commits the sin of pride by removing himself from "the struggle between right and wrong, good and evil." Heaven spare us.

The larger shame of such inflammatory talk is that the president could make a perfectly reasonable policy case against those who mean to freeze arms development here and now.

Although each side has more than enough weapons to blow up the world, imbalance in their number and quality can be dangerous. Missiles that threaten retaliatory forces could, in a crisis, tempt either side to

shoot first. A workable freeze has to prescribe such a first-strike capacity.

Many technological advances can escape reliable detection. An effective freeze would only limit weapons that are verifiable and at levels where hidden improvements would make no great difference.

A nuclear freeze cannot protect against non-nuclear breakthroughs. The invention of a way to locate missile-bearing submarines, for example, would require their prompt modification to guard against surprise attack. No static freeze will ever work: every agreement must anticipate another.

Any limit, whether freeze or reduction, requires negotiation. A unilateral freeze would only remove incentives to negotiate. And only continuing negotiations will preserve confidence in the frozen levels of weaponry, ally suspicions and assist in cooling crises.

There is a reasonable case, too, for criticizing the president. He has been sluggish about negotiating an arms deal: some of the weapons he wants will complicate, not facilitate, the task; and he is poorly staffed for serious bargaining. But these concerns argue for selective opposition to some of the weapons proposed, like the MX. And they argue for a political effort to hold the president responsible for lost opportunities.

Mr. Reagan is naive if he thinks the technologies and suspicions of God-fearing societies cannot push an arms race as hard as those of a godless tyranny. His critics are naive if they think self-righteous resolutions will push him into security deals he does not trust. The real issues of arms control and reduction are hard enough without all these platitudes.

—THE NEW YORK TIMES.

Costly Gobbledygook

For all to Washington whose native tongue is Gobbledygook, it goes without saying that incomprehensibility has been the watchword on the upward swing of the bureaucratic career orientation, notwithstanding prior implementation of discernibility, right? But now comes word — or verbiage, really — from the National Highway Traffic Safety Administration announcing that it (make that read, the taxpayer) is paying a local research institute \$23,008 to come up with a readable letter asking people to return defective cars for repairs.

But when Rep. John Bryant of Texas read about this, he didn't understand at all. "I just don't understand why a federal agency like yours has to find a consultant to write a clear letter. Why can't you write it yourself?" Here, with, enclosed and all that, the reply from an official: "I am not skilled to linguistics."

"Well," said Mr. Bryant, "it's my recommendation that you ought to learn how to

write and read a letter, or find a different line of business."

We called up the agency (no point to writing), and learned that there is yet another obfuscation factor: lawyers. It is attorneys for the auto manufacturers, another NHTSA official says, who actually draft the recall letters (there are 150 to 300 recall campaigns a year, they say). They won't accept something clear and to the point, such as, perhaps, "Bring back your car or die."

Hence the turgid prose and the poor public response, which drew a recommendation from the General Accounting Office for a better letter. But why can't Uncle Sam read and write? Is there no one in all of government who can take up a little draft, so the NHTSA wouldn't have to send out for help? At \$23,008 a letter on the private market, it won't be too long before we're all at a loss for words.

—THE WASHINGTON POST.

Other Opinion

A Quality of Endlessness

Given that there is a majority within Ireland for a united Ireland, that the overwhelming majority of British people want to withdraw from Ireland, and that Sinn Féin won a massive majority to favor of independence in the last all-Ireland election of 1918, we should now finally accept the inevitable.

The creation of Northern Ireland was an attempt to reject the demands of Irish men and women for full independence. As a tactic it has failed with terrible results in human misery and loss of life. The [British] government must refuse to be bound by the Unionist veto, announce a planned withdrawal within two years and convene a conference of all northern and southern Irish parties to agree on the constitutional guarantees that the northern Protestants will require.

—Ken Livingstone in The Guardian.

The troubles in Ireland have about them a quality of endlessness. Resolution is ever at hand, never achieved. It is the same with the mirrored American version of the world's bitterest and most enduring quarrel. For the past seven years a struggle to part Irish-Americans from their sentimental attachment to the provisional Irish Republic has been waged by the Irish chiefs. The Four Horsemen — former Gov. Hugh Carey of New York, Sens. Daniel Patrick Moynihan and Edward M. Kennedy and House Speaker Thomas P. O'Neill Jr. — began in 1977 to tell their own annual St. Patrick's Day statements that Irish violence is not the answer to English injustice to Ulster. The idea that "provos" were thugs, not the descendants of the martyrs of the Easter Rising immortalized by William Butler Yeats, seemed to be gaining ground. At every opportunity the Horsemen — who were eventually folded into a larger, bipartisan movement, Friends of Ireland — pointed out the horror and futility of terrorism. The group seemed to be making headway. All these hopes went spinning on Feb. 9, when the Ancient Order of Hibernians, organ-

izer of New York's St. Patrick's Day parade, elected as grand marshal 82-year-old Michael Flannery, an IRA man in his youth and a co-founder of the pro-IRA Irish Northern Aid Committee. Nor did ... Peace and harmony are not Irish exports.

—Syndicated columnist Mary McGarry.

A Coup in Guatemala?

For months Guatemala has been trying to better its human rights reputation, claiming to be a "new Guatemala." Four days before the arrival of Pope John Paul II the army ordered a firing squad for six Indians who had been convicted by secret military courts of offenses that under martial law are capital crimes. The pope had asked that the men's lives be spared, but they died at dawn. Why?

Pressed for an answer, the government said President Efraín Ríos Montt believed in the rule of law, regardless of political considerations — as if the men were executed under the rule of law, as if the pope's visit were political. Gen. Ríos Montt is indeed struggling to create a "new Guatemala." But "there are divisions within the government," a Western ambassador said, and "something is going on." When people say that in Central America, they mean the smell of a coup is in the air.

—Dial Torgerson in the Los Angeles Times.

Pollution in the East

Anyone who leaves the tourist routes in Eastern Europe cannot fail to see the shocking way nature is being destroyed by ruthless economic exploitation there. Unlike the inhabitants of the Western nations, citizens of the "people's democracies" are defenseless against environmental pollution. Protests, however moderate, are rated as opposition to the economic plan and therefore to the edicts of the party. The official attitude in the East bloc is that environmental protection is a luxury that only rich countries can afford.

—Neue Zürcher Zeitung (Zurich).

Abide the Diversity of Latter-Day Nonalignment

By Flora Lewis

NEW DELHI — Contrast between the seventh nonaligned summit meeting here and the first, held in Belgrade in 1961, is a better measure of the way the world has evolved than U.S. Defense Secretary Caspar Weinberger's estimate of the power balance.

Belgrade was an extraordinary display of larger-than-life characters, one of history's spectacles. In addition to the founders, India's Jawaharlal Nehru, Egypt's Nasser, India's Nehru, there were Indonesia's Sukarno, Cyprus's Archbishop Makarios, Ethiopia's Emperor Haile Selassie, Ghana's Nkrumah. Most of the 25 leaders attending wore symbolic costumes to assert national identity and reject Western homogenization.

The one survivor, Cuba's Fidel Castro, stayed away and sent his foreign minister as observer, presumably because he wasn't ready so soon after his revolution to line up openly against the United States.

There was little question then that non-alignment, ostensibly opposed both to Soviet and Western influence, saw in the United States the major threat of world domination. That was the generation of decolonization and "liberation" wars.

Secretary of State John Foster Dulles had proclaimed neutrality between East and West

"immoral," Nehru, for one, implicitly agreed and said nonalignment must not be passively neutral but actively opposed to imperialism, intervention, war and the nuclear menace.

He and the others provided a clever definition when the Soviet leader, Nikita Khrushchev, exploded a 30-megaton atom bomb in the atmosphere while the conference was taking place. Fifty megatons is 2,500 times the explosive power of the Hiroshima bomb, and radioactive fallout swirled around the globe. But the blast provoked no echo from the Belgrade assemblage, only an embarrassed silence. Nehru didn't peep.

Now his daughter, Indira Gandhi, heads the movement. There are 101 members. Soviet invasion of Afghanistan and Soviet-supported occupation of Cambodia by Vietnam are major, bitterly argued issues. Indian diplomats say a group of about 20 they call "radicals" regularly takes a pro-Soviet line.

But they are only a fifth of the membership, not the most influential, and can only sway, but cannot impose views on, resolution by consensus. Although he still blames the United States for everything wrong in the world, Mr. Castro has stopped trying to sell

the Russians as the "natural ally" of the non-aligned. In fact, one reason for the new trend to moderation is the resentment he provoked by his hard-fisted attempt to capture the conference for Moscow at the Havana summit conference in 1979.

Other reasons go deeper. Soviet-style communism no longer appeals, even to revolutionaries, whether or not regimes seek Moscow's support against their neighbors. As an Indian critic noted, except for Korea, Vietnam and Afghanistan, the many wars since 1945 have been between Third World countries with deep-rooted feuds and ambitions.

Colonialism has passed into history, although feudalism remains a major problem. The new generation of leaders may still use the old slogans for platform purposes. Their real troubles now are age-old everyday worries of how people make a living.

To make headway, the South needs the industrial North. Recognition has spread that what Indians call the "peace and demand" approach does not get far, and less than ever at a time of world recession. Guilt money has dried up. The winning argument that produces billions in credits is mutual benefit, which

requires a show of being willing and able to use capital productively. Even the dream of bludgeoning concessions from industrial haves with raw-material "weapons" yielded to cartels, inspired by OPEC, has evaporated. The collapse of the oil market showed that even if the customer isn't always right, no seller can thrive without him. Third World states does not make competitors any less cutthroat.

The world is at least as full of grievances as a generation ago, but they are more diffuse. Rhetoric is losing its power to the tyranny of facts, one reason individuals no longer seem to tower as they did at Belgrade and before.

The Nonaligned Movement persists despite its crosscurrents because most of the world still feels threatened by superpower rivalry. But it reflects above all the decay of structure. For all the globe-shrinking effect of modern technology, this is the age of diversity. That is harder to deal with than the arbitrariness of military hardware, or the demagoguery of political leaders, or good intentions about everywhere. But the United States, with its pluralistic tradition, is suited to cope if it can see the diversity as more of an opportunity than a threat.

The New York Times.

Overspending Is Bad Defense

By McGeorge Bundy, Robert McNamara, Cyrus Vance and Elmo Zumwalt

WASHINGTON — We believe the defense budget proposed by President Ronald Reagan for fiscal years 1984 to 1988 can be reduced substantially without endangering America's security.

At the outset, we wish to emphasize our view that the economic foundations of national security, which are every bit as important as the defense component, have been undermined. The United States faces an economic problem of immense proportions, the solution to which has not yet been put in place. Not only has it been favoring consumption

over investment by a wide margin, it has lost its competitive edge in world markets, and real interest rates are at such high levels as to make any rapid and sustained reduction in unemployment very unlikely.

The chairman of the president's Council of Economic Advisors, Martin S. Feldstein, has said that sustained high rates of economic growth cannot be assured until the rates of interest on long-term loans are brought down to more reasonable levels, and this cannot be accomplished until the huge federal deficits currently projected for the "outer years" (the "full-employment deficit") are drastically reduced.

To accomplish that, the United States requires a program combining increases in federal revenues and decreases in expenditures (beyond those proposed in the president's budget) of between \$150 billion and \$175 billion per annum, in the "outer years" of the budget period.

In advocating this unpleasant medicine, we oppose any action that might risk the future security of America and its allies. We share the president's view that the first duty of government is defense.

We support the system of collective security developed during the past 38 years, and America's leading role in it. We recognize that the Soviet Union, whatever the motives of its leaders, has been investing large and increasing resources in its armed forces. We do not question the need for America and its NATO allies to continue to expand their own contributions to the common defense, as much as we hope that these trends on both sides can be changed, especially through balanced and verifiable arms control agreements.

What is more, we are confident that, whatever our economic problems, the United States can afford and will do whatever is necessary for its own and collective security. We do not doubt that in a dangerous world, in which, at best, safety is relative, there are risks in doing too little for defense. But we also recognize that there are now grave risks in doing too much.

It would be folly for the United States to underfund its defense needs, but it would be equally reckless to employ those resources indiscriminately for defense, especially when there are other vital uses for them and when America has no interest in spinning the arms race.

Admittedly, the line between the two is difficult to walk: even defining it is an imperfect act. We are nonetheless convinced that America has strayed far from the line and in the direction of doing too much rather

than too little. Not only can we have equal security for a smaller investment, but by a judicious re-allocation of resources we can also hedge against the less probable danger of the future and still reduce defense outlays in the years ahead.

The objectives of equal or greater security and reduced rates of increase to the defense budget are not as contradictory as they sound.

There are three ways in which the present defense budget and, more important, the latest five-year defense plan are committing large resources that will bring little or no return for the United States and its allies: first, by setting unrealistic objectives; second, by unneeded duplication of programs; third, by overloading the whole military system — from development through procurement to deployment — with large numbers of new programs compressed into a single tight time frame.

We could, for example, save \$18.3 billion in pay by holding the numbers of personnel at current levels, \$14.9 billion by not producing the MX missile and \$31.9 billion by canceling the B-1 bomber.

Other major savings could be realized by ending production of certain kinds of jet fighters, cutting back drastically on the ambitious plans to upgrade the Navy, including two nuclear carriers authorized last year and a third proposed for 1988, and by stretching out a variety of programs.

In total, for the five-year period of fiscal years 1984 to 1988, the increase to cash outlays for defense can be cut \$136 billion below the level proposed by the administration.

After such a reduction, the rate of increase in cash outlays, over the five-year period, would still amount to approximately 5 percent per annum in real terms, which is as high as it has ever been except in times of open conflict. We believe that it represents a level of effort that can achieve and maintain durable strength with durable public support.

If Congress is unwilling to take the action required to achieve a defense program as strong as that proposed by the administration but at substantially lower cost, then the achievement of a sound national economy, which we must have as a foundation for our security, will necessitate additional distasteful measures in other areas. Taxes, which in any event must be raised to reduce the fiscal deficit in the "outer years," must be increased still further. In effect, the tax rise must be increased by the amount by which the administration's defense budget exceeds the budget we proposed.

The New York Times.

Cheap Oil Could Be Expensive

By Anthony Sampson

LONDON — Dare a European suggest that Americans are fooling themselves in their current enthusiasm for cheap oil and the destruction of the oil cartel? Such a popular crusade is hard to oppose. Surely anything that damages oil companies and banks, not to mention cartels, can't be bad. Why should we worry about oil prices falling when we worried so much about them going up?

Yet the notion that cheaper oil must be good can become a dangerous oversimplification. And it is not only banks and oil companies that would suffer from a further reduction. In the last decade oil has become, in effect, the world's chief currency, on which all kinds of other currencies, trades and balances of power depend. And there can be no possible assurance that the oil price, having come down, would stay down.

The greatest danger of all is that oil would first fall rapidly, bankrupting several oil-producing countries like Mexico, Venezuela and Nigeria on the way down, and then shoot up again, bankrupting several oil-consuming countries, like Brazil, South Korea or India on the way up.

It was its instability that was the cause of oil from the beginning, as it gushed out and then subsided in one territory after another, creating huge expectations and then shattering them. There was always either a glut or a shortage, which was what brought oil so rapidly under the control of monopolies and cartels, which could always threaten to bring back a glut. John D. Rockefeller knew very well how to defeat his rivals: He would simply flood the world with cheap oil, ruin his competitors and then put the price up again.

There is no evidence to suggest that oil has changed its basic habit since those early days. In spite of all the extra incidents from the higher oil price, there is still no sign of a satisfactory alternative source of energy. The world economy floats on oil more perilously than ever.

The present glut is largely the result of the world recession that the high oil price helped to induce, but an economic recovery, coupled with one big oil-producing country put out of action, would transform the glut into a new shortage.

For many countries, the consequences of cheap oil — with no likelihood of it staying cheap — could be thoroughly demoralizing, for it would undermine all kinds of investment from oil exploration to nuclear power plants. Saudi Arabia and Kuwait would obviously have to make drastic cutbacks in their own plans, including Western investment and aid to their neighbors.

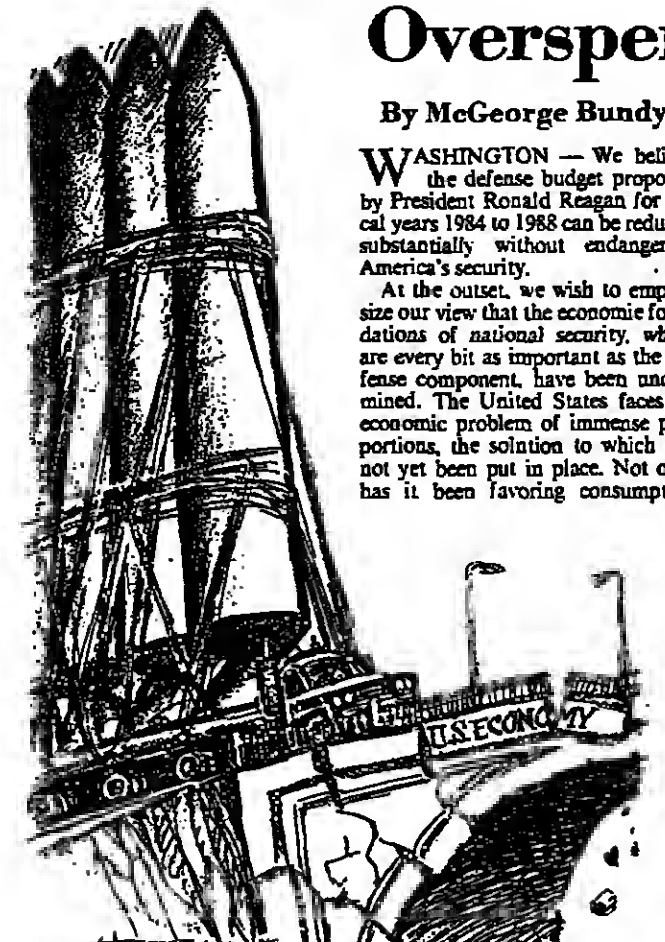
Even Brazilians, while their huge bills for imported oil would go down, are worried that cheap oil would undercut all their expensive investments in alternative energy.

So there is now, I believe, a real case for trying to stabilize the oil price — not by supporting the narrow OPEC cartel, but through a much wider agreement involving consumer countries as well as producers. The oil control of the oil companies, which was able to regulate the oil price during the '60s, is now ineffective and, anyway, politically intolerable. In fact, the Seven Sisters have taken the lead in bidding oil prices up and down, up and down in 1979, downward in 1983. Only a much broader base of control, including governments on both sides, could permit long-term stability.

There have been attempts before — in 1974 and 1975 when the West wanted to stop the price from leaping up again and OPEC would discuss oil only with reference to other commodities. But OPEC is naturally much more interested in stabilizing the price when it is coming down, and as the price falls, many consumer countries may become interested in stopping it from going up again.

It will not be easy, but it would be tragic not to try to stabilize prices when there is such a unique opportunity — before the rich countries increase their demand, and while OPEC is disorganized and desperate for agreement. It would be foolish to allow hostility to OPEC and the oil companies to prevent the realization that some kind of control is essential to prevent oil from again causing economic chaos in the world.

The writer is author of "The Seven Sisters." He contributed this column to The Washington Post.



Military Spending Gap? Not by This Accounting

By Franklyn D. Holzman

MEDFORD, Massachusetts — Like the supposed bomber gap of the 1950s and missile gap of the 1960s, the American-Soviet military-spending gap turns out to be more fiction than fact.

In his first State of the Union address, in 1981, President Ronald Reagan called for an increase in military spending because, he said, to the preceding decade the Soviet Union had outspent America by hundreds of billions of dollars. The Central Intelligence Agency's last official estimate of the military-spending gap was \$420 billion, for 1971 to 1980.

Here are three reasons why the size of that gap is seriously overestimated, resulting in gross misrepresentation of the true state of the arms race.

First, much of the gap results from the fact that to compare Soviet and U.S. military expenditures, Washington values Moscow's expenditures in dollar prices. Relatively speaking, dollar prices are much higher in America than in the Soviet Union, whereas machinery and equipment, especially high-tech weapons, are many times more expensive in the Soviet Union.

Thus, dollar prices cause an overstatement of Soviet defense activities relative to those of the United States. In CIA estimates the Soviet Union's 4.3-billion-man army is valued at American pay-and-upkeep scales that average about \$20,000 a person. The exaggeration here was highlighted by an unofficial CIA valuation in dollars of China's military establishment with its even much larger army.

The bizarre result: China's defense expenditures equaled America's. On the other hand, a comparison in ruble prices would overvalue U.S. spending because low Soviet pay scales would downplay the much larger Soviet Army, whereas American high-tech hardware would be exaggerated in ruble prices.

Statistics faced with divergent valuations of this sort take averages of the ruble and dollar comparisons; the CIA does so in its comparisons of nonmilitary spending. Applying this procedure to U.S. and Soviet military spending would reduce the 1971-1980 gap by at least \$100 billion.

Second, the major reason why America's military expenditures exceeded the Soviet Union's before 1972 was that so much spending was directed not at the Soviet Union but at Vietnam. The Pentagon subtracts this spending from the U.S. total in its American-Soviet comparisons.

Correspondingly, a proper evaluation of the Soviet threat should account for the fact that at least since 1970 about 20 percent of Soviet defense expenditures have supported nearly a million-man army on the China-Soviet border, according to CIA and Defense Department estimates. Those troops are not a threat to the United States, and the outlays to support them are not available to build tanks, planes and missiles to be used against America. Subtracting most of these expenditures from the CIA's estimate of Soviet defense expenditures reduces them by \$250 billion more.

Third, CIA concentration on the comparison of American and Soviet military spending neglects the fact that the NATO allies outspend the Soviet Union's East European allies by more than 5-to-1. This difference has been so large that the gap of \$420 billion in Moscow's favor becomes converted to a total East-West gap of about \$300 billion to the West's favor, according to the Pentagon, despite the fact that measurement in dollars exaggerates Eastern defense spending. Correcting for this dollar exaggeration and factoring out Soviet expenditures on China increases the West's spending advantage to the past decade to at least \$600 billion.

The implication for those who believe that the Soviet bloc is catching up in military power is that, if it is, its gains cannot be attributed to greater military expenditures. Either the bloc is not catching up as rapidly as some contend, or, if it is, America's and the rest of NATO's huge expenditures are being squandered.

The writer is professor of economics at Tufts University and a fellow at the Russian Research Center at Harvard University. He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Myths and Follies

Regarding "Seven Myths That Are Muddying the Debate on Missiles" (HT, Feb. 25) by Gregory Flynn:

Mr. Flynn's argument is based mainly on the two principles of deterrence and deterrence.

As for deterrence, whatever its alleged merits, it will surely lose its function if the threats on which it is based are more dangerous to us than to a potential enemy. The Soviet Union may have a slim chance to survive a nuclear first strike; West Germany's fate in such a contingency would be virtually certain extinction. It must be doubted if the Soviet Union will be much moved by the threat of our national suicide. Small wonder then that people are losing confidence in this kind of "deterrence."

Duel capacity means armament of the same quantity and quality as that of the potential foe: If the Russians have 300 land-based missiles the West requires a corresponding amount of them. That this argument is seriously flawed, at least with regard to land-based missiles, becomes immediately clear if we consider the question of collateral costs in case of enemy attack. It is obvious that there would be much higher in Western Europe with its densely populated areas. If we wanted to match Russian deployment of land-based missiles we would first have to match the geographic size of the Soviet Union.

Thus, the Western answer to Russian land-deployed medium-range missiles was nuclear submarines. A number have been assigned to

NATO in Europe, and these missiles

are a match for their Russian counterparts in anything but accuracy: The U.S. missiles are about 10 times more accurate than the SS-20.

To these forces can be added those of France and Britain. If that leaves a missile gap it is certainly not for us but for the Soviets.

The problem, clearly, is not too few but too many missiles. The peace movement, however, will not stop at mere reduction of the nuclear arsenal or a simple return to "mutually assured destruction." It fundamentally opposes a policy that entails the threat of a global nuclear holocaust.

There can be no justification whatsoever for exposing mankind, or any part of it, to the risk of annihilation. Any policy that only remotely implies that is inhuman, and immoral in the highest possible degree.

ARNO WIMMER, Frankfurt.

Barbie's Difference

Regarding "The Moral Difference" (Letters, Feb. 24) from J.B. Whitehead:

I am not an Ariel Sharon supporter. I do not like his heavy-handed style and public outbursts. But when he was put in front of a commission of inquiry it never came up with acts of savagery, sadistic brutality or any other form of Nazi-like brutality such as became common knowledge from 1945 onward. What Mr. Sharon was blamed for was negligence through contempt. That is a far cry from Klaus Barbie's public record.

I respect Mr. Whitehead's values. I

Tears for Nkomo?

Regarding the report (HT, March 10) of Joshua Nkomo's flight:

No one who knows a little about the history of Zimbabwe's struggle for freedom and non-racial democracy would shed tears over the present plight of Joshua Nkomo. The divisions inside Zimbabwe are the fruit of his past equivocations and maneuvering for power, including

furtive, disloyal deals with the KGB and some multinational companies in a pathetic bid to become the George Washington of his country. His flight to Botswana and the clear links of his followers with racist South Africa prove him rather to be a Benedict Arnold and just as doomed to failure.

Prime Minister Robert Mugabe is not a tribalist. He deserves much more international support to achieve his repeatedly proclaimed objective of national reconciliation of all of Zimbabwe's people — black and white, Shona and Ndebele.

RICHARD GIBSON, Brussels.

Letters to the Editor

Mr. Sharon is not the first name that comes to my mind when I think of this particular subject. But I will add that I am shocked by Mr. Whitehead's likening Mr. Sharon to Barbie, the latter being a proved sadist, with names at hand. May I also remind Mr. Whitehead that Ariel Sharon is a direct consequence of the Klaus Barbies of this world.

ELI ALLON, Pithul Tzvi, Israel.

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ELI ALLON, Pithul Tzvi, Israel.

The writer is author of "The Seven Sisters." He contributed this column to The Washington Post.

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10 Years After Floating of Exchange Rates, System Is Rated a Disappointment

(Continued from Page 1)

States since the Reagan administration came into office.

"It is hard to conceive how the variability of such a key price as the exchange rate can avoid having adverse influences on economic decision making," Mr. Lamfalussy said.

The exchange rate is important, not only for the exchange of goods and services, but also for the evaluation of assets and liabilities, claims and debts. Where this absolutely decisive price is subject to very considerable volatility, a climate of uncertainty arises that is bound to have a paralyzing effect on the whole range of decisions taken by businessmen, regardless of whether they relate to investment, production or trade," he said.

Mr. Schmidt's views on the remedies needed today were spelled out in an article published Feb. 26 simultaneously in leading newspapers in Hamburg, London, Milan, Paris and Tokyo.

"It is a mistake to believe that any government can pursue whatever economic policy seems domestically expedient without regard for other countries," he wrote.

The world's economic interdependence has never been greater than it is this decade. It has never been more necessary to make sure that economic policies complement each other and are internationally compatible.

Elaborating on this theme in his interview from Hamburg, Mr.

Schmidt called for a global effort akin to the vision of the Marshall Plan or the Bretton Woods agreement after World War II, looking beyond national borders to solve current economic problems.

"Countries have only rather recently understood how interdependent they are," Mr. Schmidt said. "One should not blame them for not having understood this much earlier on, but if they don't understand it now, when the situation is grave, then it would be a mistake."

He warned that "if governments do not find the strength to work together, they will inevitably repeat the mistakes of the 1930s."

Mr. Schmidt's views on the urgent need for close coordination of economic policy measures in the major countries drew mixed comments.

For Mr. Giscard d'Estaing, such an approach does not seem practical.

"It's too ambitious. It's not realistic," he said in an interview. "In the United States, the first problem is the budget deficit. Second, related to this, is the problem of military expenditures. It's impossible to imagine that these problems will be treated differently just to suit the need for some coordination."

No," he said laughing, "it's not realistic. Even in Europe, policy is not convergent."

The lack of policy coordination is a fundamental problem, he acknowledged. "But one shouldn't wait for this precondition before



Valéry Giscard d'Estaing, former president of France, left, and Helmut Schmidt, former West German chancellor, helped arrange the 1973 rate accord. Mr. Giscard d'Estaing was finance minister in Paris then and Mr. Schmidt was economics minister in Bonn.

achieving some stability in exchange rates."

He said natural forces are now at work leading to greater stability with the one-huge current-account surplus of the oil exporting states decreasing and with the price of oil declining. "I see a slow readjustment under way," he said.

The enormous international liquidity represented by the Euro-market makes him uneasy, as does the size of the looming U.S. trade and current-account deficits this year. In addition, as U.S. interest rates decline, he believes the hot money that flooded into the United States during 1981-82 will pour out.

As exchange rates adjust to these developments, he believes the market will be moving to an equilibrium point where central banks will be able to maintain the rate with relative ease.

The key factor for Mr. Giscard d'Estaing is whether Washington will agree to undertake an active role in market intervention. If it does, he argues that target zones could be managed between the European Monetary System, the dollar and the yen. The still-to-be answered question is whether the political will exists to stabilize the rates between the three great currency blocs.

"As long as there is no satisfactory coordination, there will be adjustments of rates. But adjustments need not necessarily be very frequent; not necessarily very big. Between them, you can have rather stable conditions with limited intervention. The market's awareness that there is an attitude of joint in-

tervention at the discretion of central banks would itself probably be a factor to reduce fluctuations."

Karl Otto Pöhl, the Bundesbank president, notes that exchange rates vis-à-vis the dollar have stabilized over the past several months as the underlying fundamentals have become more similar.

"There is not much difference in rates of inflation," he said, "and this has led to stabilization of exchange rates. We haven't had that much fluctuation over the last six to eight months as before and we have hardly intervened at all vis-à-vis the dollar during this period."

He agrees that "what we really need is more convergence of economic policies and performance of economies. But the more you aim for stabilization of exchange rates, the more you have to adjust your domestic policies to this target. This is the main problem. Many countries are not ready to do that."

"Everybody is in favor of more stable exchange rates, but this means that you have to accept the consequences — which could be more restrictive monetary and fiscal policy, maybe more unemployment than you would like to accept."

Alluding obliquely to the perennial dispute within the European Community over whether policy should be directed to reducing inflation or increasing growth, Mr. Pöhl said:

"I don't want to criticize what Helmut Schmidt said. He's absolutely right — we need close cooperation in economic and monetary policy. But this is very easy to say. What's much more difficult to say is what the content should be, what the common target should be."

"I think one common target should be keeping inflation rates low, achieving as much growth as

we can and stabilizing exchange rates. But this is partly contradictory. You can't have everything at the same time."

"Frankly, I don't have the impression the United States is prepared to take into account the repercussions of its monetary policy on the exchange rate more than they did in the past."

For him, the best solution is: "Everyone should in the first place try to put his own house in order. This would be a very good precondition for more stable exchange rates."

"If U.S. inflation could be held at current levels, and if Japan, Britain and West Germany have more or less the same rate of inflation, if interest rates are more or less moving in the same direction, the result would be more stable exchange rates."

On intervention, Mr. Pöhl said that "it has only very limited value."

The report of the group of experts set up at the Versailles summit last year to study intervention "is not very encouraging. It shows what everybody already knows — that intervention can be helpful from time to time, but it's not a remedy for appropriate instruments to correct instabilities and disequilibria. It's something which one should use from time to time. But you can't use intervention to change the fundamentals."

Michel Camdessus, head of the French Treasury, agrees that official intervention can never correct distortions arising from discordant economic policies.

"But stabilization of the exchange rate can be achieved if governments become better able to coordinate economic policy. The moment there is a true convergence of policy — and that does not necessarily mean that we all do the same thing — the markets will do much less overshooting and with a little intervention at the right moment the markets can be stabilized."

"Saying that today, I know very well that I must give the impression of being a naive utopian" because even within the European Community governments have never agreed on what economic targets should have priority. But even on that topic progress has been made,

he said, with France putting more emphasis on fighting inflation than might have otherwise been the case if it had not been a member of the community.

"We think we can improve the convergence of policy within Europe. We've made progress," he said.

And he predicts that progress will be made. The senior treasury officials comprising the Versailles study group "hope to have drawn policy-oriented conclusions from their study" and present these to finance ministers when they are scheduled to meet in April at the International Monetary Fund in Washington.

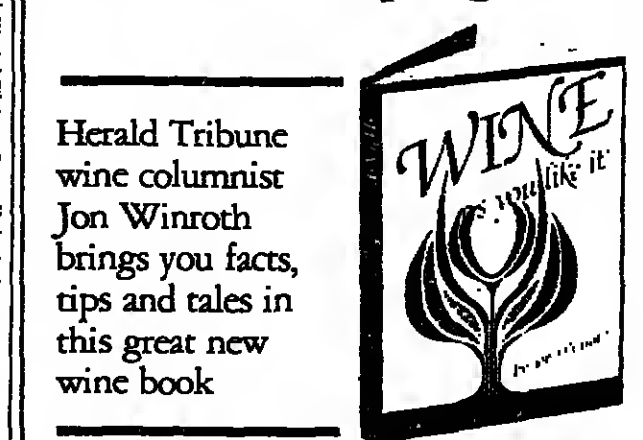
"We've learned that ideas which might otherwise appear to be theoretical or untimely are much less so

today. Where we go with this is a matter for negotiation."

"What I can say is that there is no longer the same intellectual blockage, the same systematic refusal as two years ago to consider the foreign exchange market as meriting our attention. The United States has changed its view, and in this joint study the different points of view have converged and we better understand each other."

"This is only the beginning of our work. There are many other subjects which must be addressed simultaneously — in particular the international debt problem, the problem of strengthening the international financial system — so that other factors of instability don't replace the formidable problem of disorderly exchange rates."

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Landing by Argentines Reported

The Associated Press

LONDON — Prime Minister Margaret Thatcher said Friday that Argentine forces landed last year on the uninhabited British island of South Thule, 1,300 miles (2,080 kilometers) southeast of the Falkland Islands.

"It must have been an Argentine ship calling there to put their flag up," she said, confirming Defense Ministry reports. British forces in the Falklands "are on the alert the whole time," Mrs. Thatcher said. She was speaking while on a tour

of the port of Felixstowe, in eastern England.

A Defense Ministry spokesman said Thursday night that the landing had been discovered on Dec. 19 when a British ship visited South Thule, which is part of the South Sandwich Islands. He said the Argentines had ripped down the British flag and raised the Argentine flag. Britain replaced the flag and destroyed all but one of the shelters that might be used by Argentine commandos there, he said.

"We are not inclined to treat this

incident as a serious indication of Argentina attempting to re-establish a presence on the dependencies," said the spokesman, who declined to be named.

Thule was the last British outpost in the South Atlantic to be formally retaken from Argentina in the war over the Falklands last spring. Argentina had been manning a scientific station on South Thule before the conflict started on April 2, when Argentina invaded the Falklands.

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ARTS / LEISURE

Rotterdam Museum Shows David Salle

By Jules B. Farber
International Herald Tribune

ROTTERDAM — "I don't tell a story. I believe my work is very psychologically loaded. My paintings always have something of story-telling but not, for instance, like Max Beckmann, who told philosophical stories."

So says David Salle, 30, whose current exhibition in Rotterdam's Boijmans-van Beuningen Museum confirms the artist's ascent in the international art world alongside young peers like Julian Schnabel, Susan Rothenberg, Neil Jenney and Jonathan Borofsky.

"I don't explain," he continues. "You can have your own ideas, make up your own stories. I don't care if the paint is thick or thin, everything must be open. I'm now doing wood sculpture with paint. I did a painting with a chair sticking out. It doesn't interest me if you see Schnabel in my work — how he does it is completely different. Sometimes he uses the same faces but the result is always different. Julian is one of my few friends. I'm not so social. He belongs to the small group."

In 1975, Salle, who was born in Oklahoma and brought up in Kansas, received a master's degree in fine arts from the California Institute of the Arts, had his first exhibition in Los Angeles and moved to Manhattan. He was then into conceptual environments using photographic images, words and music. His experiments with video and performances led to invitations for installations from the Corps de Garde Foundation in Groningen, the Netherlands, Amsterdam's Foundation de Appel and other avant-garde spaces. Slowly his work turned to drawing and painting.

could have thought up: "A Southern Wind and a Cloudy Sky Proclaim It a Hunting Horn."

There is another type of landscape painting at which the British are masters — nature in its mysteriously eternal aspect. Two works in the exhibition are typical of this genre — "Rising Moon" by Mary Potter (1900-81), depicts an ivy-covered wall, an ancient gatepost surrounded by a stone globe, and a long avenue of pollarded winter trees, ghostly illuminated by blue-gray liquid moonlight. The other is "Wood on the Downs" (1929) by Paul Nash (1889-1946). The woods in question are Whiteham Clumps, a group of copses on the Berkshire Downs, which Nash very frequently painted for many years.

Two other kinds of landscape in this immensely pleasurable show, chosen for the Arts Council by Dr. Frances Spalding of Sheffield Polytechnic and Ian Jeffrey of Goldsmiths' College School of Art, London, remain to be considered. Among the wholly eccentric and surreal, are two beautiful surreal images — "Heavenly Sleep," a blindfolded monolithic figure set against the panoramic backdrop of the white cliffs of Dover, by John Armstrong (1893-1973), and a winged head personifying "The Breeze at Morn" in a stylized Welsh landscape, by Thomas Lowinsky (1892-1947).

The other group is of what one may term artistic surprises. Sir John Everett Millais (1829-1896), sentimental Victorian painter of children and animals, is here represented by "Child Obedient," a marvellously evocative picture of a young child in a landscape, with a wistful look at the lake's edge and a few storm-battered crows in the lowering sky. Sir Lawrence Alma-Tadema (1836-1912), usually the painter of florid exotic reconstructions of Classical Greek and Roman domesticity, in "94 Degrees in the Shade" shows young Herbert Thompson engrossed in his book, lying in the bed of a Surrey estate. Sir Edward Burne-Jones (1833-98) most mediocrally oriented of the Pre-Raphaelites, contributes a stunning pastel sketch of a young woman in a landscape, by the artist's hand, a telegraph-pole-lined "Road near Rotterdam."

"Landscape in Britain 1950-1980," Hayward Gallery, South Bank, London SE1, to April 17; Bristol City Museum and Art Gallery, April 30-June 4; Stoke-on-Trent City Museum and Art Gallery, June 11-July 16; Mappin Art Gallery, Weston Park, July 23-Aug. 28.

This knowledge has been hard won. Vernier-Palliez's business ties with the United States date back to the late 1940s and climaxed a few years ago when Renault, under his direction, acquired substantial stakes in American Motors and Mack Trucks. The financier Felix Rohatyn represented Renault in both these negotiations, and he and Vernier-Palliez (known in business circles as "V-P") became close friends. The two families regularly attended the Salzburg Festival in Austria together.

"His appointment as ambassador was a master stroke by President Mitterrand," Rohatyn said. "V-P knows American business, knows how we think and knows how concerned we were by a Socialist government in France." According to both the French and American press, Vernier-Palliez was appointed ambassador as a way of reassuring Americans about the Mitterrand nationalization program. Renault had been state-owned since World War II, but Vernier-Palliez ran it as aggressively as any private company. "As an executive, V-P was absolutely first rate," Rohatyn said.

Many diplomats talk about the economy, but Vernier-Palliez is unusual in regularly inviting key players to dinner. Every two months, about a dozen major American figures — from both inside and outside the government — come to the ambassador's residence to draw a portrait of economic trends for their French host.

Although Vernier-Palliez formally presented his credentials to the president in February 1982, modern-day ambassadors rarely operate at this rarified level. Asked in early December, for example, how many times he had conferred face-to-face with Secretary of State Shultz, Vernier-Palliez ticked off their four meetings on the fingers of his right hand. (However, he also sat in on a number of sessions in Paris with Shultz, Mitterrand and French Foreign Minister Claude Cheysson in mid-December.)

The French ambassador's closest ties are with Eagleburger. "With Larry, we get along very well together. We're very direct, both of us." The mutual respect that unites the two men represents the strongest day-to-day link between the two sometimes-frictional allies.

Even in this age of instantaneous global communications, an ambassador like Vernier-Palliez can have broad authority to negotiate diplomatic agreements. A prime example was the French decision to join in the second peacekeeping force sent to Lebanon after the mid-September massacre in the refugee camps outside of Beirut. The United States took the lead, but French and Italian participation was considered vital.

Shultz and Cheysson had talked by telephone about a second peacekeeping force after the assassination of Lebanese President-elect Bashir Gemayel. But a few days later, after the massacre, French negotiating responsibility rested with Vernier-Palliez here in Washington. The ambassador was summoned to the State Department on Sunday, Sept. 19, to meet with Shultz.

"We started discussing the formation of a second multinational force," Vernier-Palliez recalled. "The next day Vernier-Palliez endured an arduous round of negotiations with Eagleburger and Assistant Secretary of State Nicholas Velotes. (The Italians were in the background.) "We had to agree on a package that we could sell to our superiors," the ambassador explained. It worked. By late that afternoon the new peacekeeping force was a reality.

For his part, Vernier-Palliez claims to be comfortable with the reality that a modern ambassador is an interpreter and an intermediary, not a policy-maker. "When I had decided to retire from Renault," he said in January, "I had decided not to make any more big decisions. There are some who need decision-making like a drug and can't live without it. I've made decisions for a long time in my life. I don't need it anymore."

But there are other moments when one can bear a witness to his voice as he talks about the differences between building cars and building bridges between nations. "In business you make decisions that will affect thousands of people, and in a short time you show the results — for good or bad — on the last line of the balance sheet. But an ambassador doesn't make decisions like that. There are so many external events, so many other players, that it's hard to know who's responsible for what."

Blow to Third? OPEC sources would become energized with much bigger gross margins, and its share of the market. The oil cartel has been a blow to some of the day they too could expect to see their individual interests in the oil price at something like \$10 a barrel. It is likely to bring down the oil price to the cost of marginal oil producers in the North Sea.

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After Salle's 1981 show in New York's Mary Boone Gallery, Leo Castelli joined forces with Boone to promote Salle, resulting in a mammoth show in their three SoHo loft galleries last spring. Salle's work was included in Westkunst in Cologne, Documenta 7 in Kassel, the Venice Biennale and Zeitgeist in Berlin.

For his current show, which runs through April 17, Salle, with the Boijmans director, Wim Beeren, selected 23 mammoth, neo-expressionist, figurative paintings, of which 14 are diptychs and triptychs, all borrowed from American and European collectors. After hanging the canvases, he reflected on the accumulation of three years' work.

"Adjustments in painting. That's what you start to think about. I haven't yet decided what that is. I did feel, moving around the museum, that the cumulative impression has something to do with depression. No, call it fatalism. My work is not a reflection of my depression but seems to refer to it in some way. It's not illustrating my psychology. Just an attitude, not philosophical. I don't believe in metaphysical sense. More in worldly sense."

Salle, who is moody, often arrogant and unapproachable, paints for himself. Viewers become voyeurs looking at erotically posed female nudes amidst clichés of the '50s, film, photographs, Disneyesque cartoons, reflections of Sigmar Polke and Picabia, reminiscences of American genre painters and banal illustrative fragments. The works start off with monochrome backgrounds, painted like the minimalists, and from there, Salle positions his figures and objects with a sensitive elegance that becomes his own world. Titles, such as "How to Use Words as a

Powerful Aphrodisiac," provide no clues to content. Salle is short, wiry, with a sharply chiseled nose and curly black hair. He dresses in baggy pants, dark sports shirts and tweed jackets ornamented with a silver fishbone pin.

Has success spoiled Salle? "Success in art? I don't know what it is. In business it's easier to define. My work has a 'public.' Some people hate it. My 'public' consists of people, not only of my generation, who like it for different reasons. Am I young? Jasper Johns was 25 when he first exhibited. Frank Stella was 23. Thus I feel myself old. It doesn't matter what age you break through as long as you assure that your work is regularly seen. If not, you're a bad artist. Every attention is better than none. The great demand for my work does not change its character. If your position in the world changes, your work changes

since that's a mirror of the world. My latest work is much more difficult, complicated, than what I did some years ago. Don't forget that in the past many 'big things' were made when there was pressure on the makers. Dostoyevsky wrote his best novels under fear of approaching bankruptcy. Sometimes a deadline is good but I don't feel that pressure yet."

Does Salle consider himself a New York painter? "The world around you in New York has little influence. The world is in your head. Julian uses imagery from European painting sources. Mine is more vernacular but not exclusively American. I don't think about making American art. Other generations might have thought about it and purged their work with European influences. I'm concerned about how a painting should function. If American art means directness, my work doesn't fulfill that

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The British Talent for Landscape

By Max Wykes-Joyce

LONDON — Anyone who seeks to know why Britons are such eccentrics would do well to take a long look at an exhibition of 266 drawings and paintings, with a few prints and photographs, portraying "Landscape in Britain 1850-1950," at the Hayward Gallery. In the British Isles, an area only marginally greater than the state of Arizona, and considerably smaller than Montana or California, the varieties of landscape are virtually infinite.

British artists have never side-stepped the vagaries of the climate. Indeed a good few, following in Turner's footsteps, seem to have welcomed its dramatic qualities — fine examples in this show being Henry Clarence White's "Harlech Castle — Four-square to All the Winds That Blow," and "Breaking Wave" by Joan Eardley (1921-63), English by birth, Glaswegian by adoption, who in the last seven years of her short life bought a cottage-studio in the fishing village of Caterline on the northeast coast of Scotland, to which she hurried from the city whenever an oncoming storm was predicted.

Of course, the lyrical aspects of the British landscape are frequently touched on. Typical of these is "George Herbert at Bemerton" (1860) by William Dyce (1806-64). George Herbert (1833-33) was a brilliant scholar who gave up the life of a royal courier to become a country parson in the rural parish of Bemerton in Wiltshire. Dyce has portrayed this congenial personage walking beneath the riverside trees composing his simple poetic prayers to God — "Rhyme thee to good and make a bait of pleasure/A verse may find him who a sermon flies."

The quiet contemplation of nature finds its expression over and over again — in "Under the Hawthorn" by John Linnell, a shepherd guards his flock in a woodland glade; in the watercolor "Elm Trees" of Philip Wilson Steer (1860-1942), a sight almost wholly vanished from the English countryside in the last decade because of the ravages of Dutch elm disease; in Charles Gere's tempera painting "A Cotswold Walk," Painswick from the South," in Rowland Hilder's panorama of Kent, "The Garden of England," and in Rex Whistler's panorama of wooded Buckinghamshire, "The Vale of Aylesbury."

Not are country pursuits neglected. "Holidays," painted in the early 1920s by Harry Watson (1871-1936), shows four girls on a rocky foreshore, while another highly colorful 1920s work by the better known Joseph Southall (1861-1944), "The Botanists," depicts two girls in cloche hats, silk stockings and typical 1920s pointed shoes, one on hands and knees digging in the cliff-top grass for some small plant.

No British landscape collection would be complete without at least one image of fox-hunting — and none better to portray this quintessentially English pursuit than Sir Alfred Munnings (1878-1959), without doubt the greatest of 20th-century horse painters. This black watercolor of the Master, the Huntsman and the pack of hounds starting out on the scent was given a title which only a hunting man

could have thought up: "A Southern Wind and a Cloudy Sky Proclaim It a Hunting Horn."

There is another type of landscape painting at which the British are masters — nature in its mysteriously eternal aspect. Two works in the exhibition are typical of this genre — "Rising Moon" by Mary Potter (1900-81), depicts an ivy-covered wall, an ancient gatepost surrounded by a stone globe, and a long avenue of pollarded winter trees, ghostly illuminated by blue-gray liquid moonlight. The other is "Wood on the Downs" (1929) by Paul Nash (1889-1946). The woods in question are Whiteham Clumps, a group of copses on the Berkshire Downs, which Nash very frequently painted for many years.

Two other kinds of landscape in this immensely pleasurable show, chosen for the Arts Council by Dr. Frances Spalding of Sheffield Polytechnic and Ian Jeffrey of Goldsmiths' College School of Art, London, remain to be considered. Among the wholly eccentric and surreal, are two beautiful surreal images — "Heavenly Sleep," a blindfolded monolithic figure set against the panoramic backdrop of the white cliffs of Dover, by John Armstrong (1893-1973), and a winged head personifying "The Breeze at Morn" in a stylized Welsh landscape, by Thomas Lowinsky (1892-1947).

The other group is of what one may term artistic surprises. Sir John Everett Millais (1829-1896), sentimental Victorian painter of children and animals, is here represented by "Child Obedient," a marvellously evocative picture of a young child in a landscape, with a wistful look at the lake's edge and a few storm-battered crows in the lowering sky. Sir Lawrence Alma-Tadema (1836-1912), usually the painter of florid exotic reconstructions of Classical Greek and Roman domesticity, in "94 Degrees in the Shade" shows young Herbert Thompson engrossed in his book, lying in the bed of a Surrey estate. Sir Edward Burne-Jones (1833-98) most mediocrally oriented of the Pre-Raphaelites, contributes a stunning pastel sketch of a young woman in a landscape, by the artist's hand, a telegraph-pole-lined "Road near Rotterdam."

"Landscape in Britain 1950-1980," Hayward Gallery, South Bank, London SE1, to April 17; Bristol City Museum and Art Gallery, April 30-June 4; Stoke-on-Trent City Museum and Art Gallery, June 11-July 16; Mappin Art Gallery, Weston Park, July 23-Aug. 28.

This knowledge has been hard won. Vernier-Palliez's business ties with the United States date back to the late 1940s and climaxed a few years ago when Renault, under his direction, acquired substantial stakes in American Motors and Mack Trucks. The financier Felix Rohatyn represented Renault in both these negotiations, and he and Vernier-Palliez (known in business circles as "V-P") became close friends. The two families regularly attended the Salzburg Festival in Austria together.

"His appointment as ambassador was a master stroke by President Mitterrand," Rohatyn said. "V-P knows American business, knows how we think and knows how concerned we were by a Socialist government in France." According to both the French and American press, Vernier-Palliez was appointed ambassador as a way of reassuring Americans about the Mitterrand nationalization program. Renault had been state-owned since World War II, but Vernier-Palliez ran it as aggressively as any private company. "As an executive, V-P was absolutely first rate," Rohatyn said.

Many diplomats talk about the economy, but Vernier-Palliez is unusual in regularly inviting key players to dinner. Every two months, about a dozen major American figures — from both inside and outside the government — come to the ambassador's residence to draw a portrait of economic trends for their French host.

Although Vernier-Palliez formally presented his credentials to the president in February 1982, modern-day ambassadors rarely operate at this rarified level. Asked in early December, for example, how many times he had conferred face-to-face with Secretary of State Shultz, Vernier-Palliez ticked off their four meetings on the fingers of his right hand. (However, he also sat in on a number of sessions in Paris with Shultz, Mitterrand and French Foreign Minister Claude Cheysson in mid-December.)

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SATURDAY-SUNDAY, MARCH 12-13, 1983

ECONOMIC SCENE

By LEONARD SILK

With or Without OPEC Accord,
Oil Price Likely to Keep Falling

NEW YORK — No matter what the immediate outcome of the turbulent London meeting of the Organization of Petroleum Exporting Countries, we have been watching a highly contentious and failing cartel. It now looks as though some sort of face-saving agreement will be put together to cut the price of OPEC's benchmark crude oil by \$5 a barrel, to \$29, and to assign quotas to member countries to limit total OPEC production to 17.5 million barrels a day. But OPEC cannot police such an agreement and it seems likely that the price of oil will continue to decline.

The story of the rise and fall of OPEC is starkly illustrated in what has been happening to oil prices and to shifting supply and demand in the world market.

The falling oil cartel, like virtually every cartel before it, committed the blunder of setting its monopoly price too high. This simultaneously called forth supplies from outside producers that the cartel could not control, and eventually induced conservation by consumers.

Before OPEC began to double and triple its oil prices in October 1973, following the Arab-Israeli war, oil consumption in the noncommunist industrial nations had been growing 2.5 percent a year faster than real gross national product. From 1973 through 1978, in response to climbing oil prices, oil consumption per unit of output fell 19 percent a year. Since 1979, following the second oil shock and the world economic slump, oil consumption per unit of GNP has been falling 6.5 percent a year.

The noncommunist world market has thus shrunk from 52 million barrels a day to about 44 million, and non-OPEC countries have taken away a growing slice of OPEC's business. In 1977 OPEC's share of the market was 63.4 percent; by last year it had been cut to 44.2 percent.

In an attempt to strengthen prices, Saudi Arabia, the leader of the cartel, cut its production from 9.7 million barrels a day in the spring of 1980 to about five million in late 1982, but this was not enough to sustain prices.

Nigeria, faced with the loss of the bulk of its export market, became the first OPEC country to break ranks openly when it cut its price for high-quality Bonny light by \$5.50, to \$30, from \$35.50, as aggressive under the late Shah, and equally hostile toward Saudi Arabia, raised its production from 1.8 million barrels a day in the spring of 1980 to 2.6 million in November. While demanding that other OPEC members hold prices up and cut production, Iran sold all it could produce at whatever prices the market would bear.

Surpluses Cut Drastically

The decline in oil prices in real terms, together with the shrinkage in OPEC's share of the market, has drastically cut trade and payments surpluses among the 13 members. The combined current account surplus of the OPEC nations fell from \$110 billion in 1980 to between \$15 billion and \$25 billion last year, OPEC sources say. Thus, some OPEC members are already running deficits.

Worse may lie ahead. Cheating on prices and production quotas seems highly probable. Militant states such as Iran, Iraq, Libya and Algeria, and poor, populous countries such as Nigeria and Indonesia, will strive to sell as much oil as they can to cover their import needs and foreign debts. So will such non-OPEC oil suppliers as Mexico and the Soviet Union.

Because there remains a huge margin between current market prices, ranging from \$26 to \$30 a barrel, and production costs in the Middle East, ranging from \$2 to \$3, it is difficult to know where the floor is. If the world economy recovers and OPEC members put their collective interests above their individual interests, they may be able to hold the world crude oil price at something close to \$29, although continuing world inflation is likely to bring down the real price even more. Some analysts think the oil price could fall to as low as \$17 or \$18 a barrel — roughly equal to the cost of marginal supplies coming from high-cost non-OPEC producers in the North Sea or Alaska.

Blow to Third World

But if prices fell that far, or farther, much of the new production from non-OPEC sources would become unprofitable and would be eliminated. OPEC, with much bigger gross margins, would again be able to expand output and its share of the market.

OPEC's weakness has been a blow to much of the Third World. While OPEC has not been a particularly generous leader of the developing countries, the oil cartel had filled many such countries with pride and hope that some day they too could extract much wealth from the rich industrial countries that they oppose as colonialists.

As OPEC declines, the power of the West is correspondingly enhanced. It remains to be seen what economic and political use the United States and other Western countries can make of their markedly strengthened bargaining power in relationship to the Middle East and the Third World.

The New York Times

CURRENCY RATES

*Bank exchange rates for March 11, excluding bank service charges.

	\$	£	DM	FF	Y	₹	₪	₦	₧	₦	₦
Australia	2.4405	3.78	1.9372	26.17	0.1845	—	54.14	128.34	38.45	—	—
Canada	0.71	1.39	0.70	10.70	0.1735	—	—	—	—	—	—
France	2.4925	3.78	—	—	—	—	—	—	—	—	—
Germany	1.9372	3.78	—	—	—	—	—	—	—	—	—
Italy	1.9372	3.78	—	—	—	—	—	—	—	—	—
Japan	1.9372	3.78	—	—	—	—	—	—	—	—	—
Netherlands	1.9372	3.78	—	—	—	—	—	—	—	—	—
Spain	1.9372	3.78	—	—	—	—	—	—	—	—	—
Sweden	1.9372	3.78	—	—	—	—	—	—	—	—	—
Switzerland	1.9372	3.78	—	—	—	—	—	—	—	—	—
U.K.	1.9372	3.78	—	—	—	—	—	—	—	—	—
U.S.	1.9372	3.78	—	—	—	—	—	—	—	—	—

INTEREST RATES

	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
1-Month	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
3-Month	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
6-Month	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
1-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
2-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
3-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
4-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
5-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75

Money Rates

	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
1-Month	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
3-Month	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
6-Month	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
1-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
2-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
3-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
4-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
5-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75

GOLD PRICES

	Price	Price	Price	Price	Price	Price	Price	Price	Price	Price	Price
1-Month	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
3-Month	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
6-Month	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
1-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
2-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
3-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
4-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75
5-Year	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75	11.75



Left, Ken Hayashibara of Hayashibara Biochemical Laboratories, an innovator in the use of computers to create new things, it helps to not grow too big.



Right, Masaya Nakamura of Namco, a video-game maker: "I want people who think in unusual ways."

Breaking Japan's Corporate Mold

By Steve Lohr
New York Times Service

TOKYO — Japanese companies seeking new employees typically have one goal in mind: Hiring the graduates of leading national universities. But Masaya Nakamura, president of Namco Ltd., takes an entirely different approach.

In colorful magazine advertisements, Namco, a producer of video games, solicits reformed juvenile delinquents and average students.

"For game designers," Mr. Nakamura explained, "the knowledge acquired in school is not so helpful. I want people who think in unusual ways, whose curiosity runs away with them, fun-loving reprobates."

Hardly a case in point, Toshiro Watanabe, a 36-year-old entrepreneur, holds undergraduate and advanced degrees in electrical engineering from Tokyo University, often described as Japan's Harvard. Yale and Princeton rolled into one. Yet he gave up the security of lifetime employment in a prestigious corporation to start his own computer software company.

"To work in a big corporation with a big bureaucracy did not suit me," Mr. Watanabe said. "To be part of a big company is like being a component in a big machine. It can be boring."

Such practices and attitudes are excep-

al in Japan. But in fast-changing high-tech industries, an increasing number of executives are taking new paths and trying new methods in a sharp break with the traditional precepts of the Japanese corporate community.

Many of the innovators are entrepreneurs who head small concerns, but there are large companies experimenting with new management and organizational techniques in part of their business.

The new ways are being employed mostly in the so-called industries of the future, such as computer software and biotechnology, in which Japan is struggling to catch up with the United States. These areas demand individual creativity, which conventional Japanese management seems at times to inhibit.

Much of the impetus for change comes from engineers and scientists frustrated with the traditional Japanese management system, with its emphasis on seniority and hierarchy," said Hiroshi Ebihara, an independent consultant in Tokyo.

Many, like Mr. Watanabe, have started their own companies. And these companies tend to have the same informal, individualistic style of management for which many concerns in California's Silicon Valley are known.

At Mr. Watanabe's company, for example, the 13 programmers can set their own hours

as long as they finish assignments. Instead of a company song, the music in the offices is rock or classical, coming from the compact stereo sets most of the engineers have at their work stations.

Dress, too, is informal. Mr. Watanabe wears tinted glasses and his preference in clothes runs to dark-colored shirts and flower-print neckties. A Beatles poster adorns his office wall.

"In the 1980s, we're seeing the high-tech niche-seeking entrepreneurs in Japan," observed Kenichi Ohmae, managing director of McKinsey & Co. in Tokyo.

The entrepreneurial inclination, Mr. Ohmae said, is not new in Japan. Today's giant general trading companies, which epitomize the corporate establishment, were once considered firebrands.

The Mitsui group, for instance, traces its origins to 1673 and the opening of a draper's shop. Before 1700, the samurai-turned-merchants had inaugurated the revolutionary policy of cash sales at fixed prices. A steady stream of Japanese entrepreneurs has followed ever since.

Yet the current crop is different in "style and form" from their predecessors, Mr. Ebihara noted. A key difference is that, in technologically creative endeavors, size can be a hindrance instead of the route to greater

(Continued on Page 9, Col.3)

Delors Blames EMS Tension on Bonn

Reuters

PARIS — France blamed West Germany Friday for the tensions that are pushing the European Monetary System toward its seventh realignment in four years, but Bonn continued to insist that no adjustment was needed.

The question of a realignment became more a political issue as funds continued to pour into the Deutsche mark, forcing four other currencies down to their EMS floors. In Frankfurt, the Bundesbank intervened to support the French and Belgian francs and the Danish kroner; the Irish pound was also weak.

Speaking on French radio Friday morning, Finance Minister Jacques Delors said: "The parity of the franc is correct. There is a problem with the Deutsche mark. It must be dealt with."

Shortly thereafter, a West German Finance Minister spokesman noted that Hans Eickemeyer, Finance Ministry state secretary, had said on Wednesday that there was no need to realign the EMS; nothing, the spokesman said, had changed since then.

Currency dealers said France was clearly hoping to avoid a politically embarrassing devaluation by persuading Bonn to upgrade the

mark within the EMS, which sets narrow fluctuation limits for its eight currencies.

West German government and the Bundesbank will resist a one-sided realignment of the mark for fear that this would harm exports just as the country's economy is showing signs of picking up from two years of recession.

A devaluation of the franc has been predicted since last year. Many dealers think an announcement could come shortly after final voting Sunday in France's municipal elections.

The French franc has been devalued twice in the EMS since the Socialists came to power in the summer of 1981. The government has said repeatedly that it will not devalue the currency again.

Since December the Bank of France has regularly intervened to keep the franc from dropping below 2.83 to the mark. But Monday, Chancellor Helmut Kohl's election victory in West Germany pushed the mark higher, the Bank of France changed tactics and let the franc fall close to its EMS floor.

The franc began to come under pressure again Thursday and was set Friday in Paris at its lowest level ever — its EMS floor, 289.85 per 100 DM — prompting the Bundesbank to buy 29.1 million francs.

U.S. M-1 Up
\$100 Million

Reuters

NEW YORK — The narrowest measure of the U.S. money supply, M-1, rose \$100 million in the week ended March 2, the Federal Reserve Board announced Friday.

The previous week's rise in M-1, which covers money in circulation and in checking accounts, was revised to show a gain of \$2.7 billion instead of the \$3.6 billion increase originally reported.

Stock Prices in N.Y.
Close Slightly Lower

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange closed lower Friday as uncertainty about oil and interest rates sent investors to the sidelines.

The Dow Jones industrial average, which fell 11.7 to 1,120.94 Thursday, closed off 3.20 at 1,117.74 after being down as much as 5 points earlier. Declines led by a 2-to-1 margin, while volume slumped to 67.2 million shares from the 95.4 million traded Thursday.

Worries about oil prices have helped depress the market this week. Investors fear that a complete free-fall for oil prices will hurt U.S. oil stocks and U.S. bank loans to exporting nations. OPEC ministers attempting to stabilize prices at a meeting in London failed again Friday to produce an agreement.

The Commerce Department had

some bad news Thursday, reporting that retail sales had declined 0.4 percent in February and that revised figures for January showed a 0.5-percent drop in that month rather than the previously reported 0.1-percent rise.

Interest rates have been another concern since the Federal Reserve chairman, Paul A. Volcker, said earlier this week that he was surprised by the growth in the money supply.

Some analysts claim the market has already risen as high as possible on the expectations of an economic recovery. A new element, such as improved corporate profits, may be needed to push it up further, they maintain. "The market is weary and wary," one observer said.

"The technicians are having an impact on institutional investors," one analyst said.

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OPEC Ministers
Still Divided on
Output QuotasBy Bob Hagerty
International Herald Tribune

LONDON — Oil ministers from the Organization of Petroleum Exporting Countries acknowledged Friday that they remained deeply divided in their attempt to carve up the dwindling oil market. They agreed, however, to go on arguing Saturday.

A tentative agreement to cut prices by about \$5 a barrel hinges on whether the ministers can decide on production quotas. After the understanding on prices was reported by some ministers at midweek, hopes rose that OPEC would soon reach an overall agreement in its effort to halt or at least slow the decline in oil prices. On Friday, however, ministers were split.

"I'm afraid we are still apart, far away from each other, as far as the quota is concerned," said Sheikh Mansur al-Odeibi of the United Arab Emirates.

Venezuela's minister, Humberto Calderón Fari, called the quota talks "very difficult."

The ministers, most of whom have been haggling in London for eight days, met in small groups Friday. A meeting of all 13 members was scheduled for Saturday.

The quota quarrel is believed to center on the demands made by Saudi Arabia, Iran and Venezuela. The conflict is particularly poisonous because Saudi Arabia is helping finance Iraq, another OPEC member, in its war with Iran.

The Venezuelans insist that they cannot afford a major reduction in their output because of their heavy foreign debt. The country is struggling to win approval from foreign bankers on a rescheduling of \$9 billion in short-term credits.

The tentative pricing accord would bring down the price for OPEC's benchmark crude, Saudi light, to \$29, from the \$34 that has been in effect, though widely ignored, since October 1981. Prices for other OPEC crudes are supposed to be aligned around the benchmark, depending on quality and transport costs.

Big oil producers outside OPEC could throw the pricing plan into disarray. Mexico agreed two weeks ago to hold off on a price cut while OPEC tried to pull itself together. But Mexico may be getting impatient. On Friday, Mr. Calderón Fari said that he had been in

touch with the Mexicans and that they might have an announcement soon. He did not say what it would involve. A statement by British Petroleum on Thursday also put OPEC's reported pricing terms in question. Based on quality, BP said, Nigerian crude should cost \$2.25 to \$2.50 a barrel more than Saudi light. Under the reported OPEC formula, however, the difference is expected to be about \$1.

The Nigerians, who slashed their price last month to 50 cents below that of Britain's key North Sea crudes, are determined to stay competitive. Some oil traders, however, say North Sea crude should cost about 75 cents less than Nigerian oil. Thus, Britain will be under heavy pressure to cut its prices further should an OPEC accord leave the Nigerian price at \$30.

4 Nations
Face Huge
Oil Loss

Reuters

LONDON — Mexico, Venezuela, Nigeria and Indonesia together are likely to lose about \$8 billion in revenue this year following an expected reduction in OPEC oil prices, bankers said Friday.

Any agreement that emerges from talks by Organization of Petroleum Exporting Countries members in London is likely to result in a cut in the Saudi Arabian benchmark oil price from \$34 a barrel to \$29,

Tables include the nationwide prices up to the closing on Wall Street

SPORTS

Giants Feeling Loss of 2 Stars
Team Certain to Miss Morgan, SmithBy Dave Anderson
New York Times Service

SCOTTSDALE, Arizona — For their 100th anniversary season, the baseball Giants, of San Francisco, over the last quarter of a century and of New York before that, are a contender again. But if the Giants are to win the National League West, they must recover from already being two behind in the loss column, the loss of two Giants who showed their teammates how to stay in the race last season until the final weekend — Joe Morgan and Reggie Smith.

Morgan also showed the Giants how to knock the rival Los Angeles Dodgers out of the race. His three-run homer in a 5-3 victory over the Dodgers in last season's last game enabled the Atlanta Braves to win the divisional title.

But now Morgan is the Phillies' second baseman, traded after a contract impasse. Smith is the Tokyo Giants' first baseman, annoyed that the San Francisco Giants sought to hire Steve Garvey before that first baseman joined the San Diego Padres.

The Giants, meanwhile, are counting on Duane Knicker at second base and probably Darrell Evans at first base. Each is an established major leaguer but neither is likely to supply the late-season leadership that Morgan and Smith did last season.

Morgan and Smith had been on a total 10 teams that won the World Series, a pennant or a division title. Morgan on six with the Cincinnati Reds and the Houston Astros, Smith on four with the Dodgers and the Boston Red Sox.

"We're going to miss the leadership those two gave us," Frank Robinson, the Giants' manager,

was saying now. "They gave us the tough out in the tough situation. We wanted them to be up and the opposition did not want to see them up. Those two kept the team together and they also took the pressure off the younger players."

Much of that pressure now will fall on the Giants' two most talented players: the 27-year-old right-fielder Jack Clark and the 22-year-old centerfielder Cliff Davis.

"Davis has the talent to be the league's most valuable player some day if he continues to improve," Robinson said. "He's an exciting player. He can hit with power and hit for average. He can run and throw and play defense. I don't know if he's ready to carry the club yet but someday he can. That's how good he can be."

As a rookie last season, Charles (Chili) Davis hit .261 with 19 homers, 76 runs batted in and 24 stolen bases. If he had not suffered a severely sprained ankle in the final week of the season, the Giants might have stolen the divisional title instead of finishing in third place, two games behind the Braves, one game behind the Dodgers.

Clark, meanwhile, had his best season. He drove in 103 runs while batting .274 with 27 homers.

But after coming so close to their first National League West title since 1971, how could the Giants afford to trade Morgan and let Smith leave as a free agent? The answer, according to Robinson, involved the "personalities and personalities" of the two players, but also of Bob Lurie, the Giants' owner.

Morgan reportedly was demanding a guaranteed \$600,000 contract, but Lurie was willing to guar-

antee no more than \$450,000 of it.

Rather than risk going to arbitration in the contract dispute, the Giants chose to trade Morgan and a left-handed relief pitcher, Al Holland, to the Phillies for Mike Krukow, a 31-year-old right-handed pitcher who had a 13-11 record with the Phillies last season and two minor league seasons — Mark Davis, a 22-year-old left-handed pitcher and Charles Fennig, an outfielder not yet on the Giants' roster. "We didn't want to trade Holland," Robinson said, "but to get what we wanted, we had to put him in the deal."

Smith, who made about \$300,000 last season, accepted a reported \$1 million one-year contract from the Tokyo Giants.

But even without Morgan and Smith, the Giants' manager believes his team can win what he sees as a four-team race in the National League West.

"We're not going to surprise anybody this year, not like we did last year," he said. "But there's no one dominating team in the division. Our personnel is as good as anybody's with Clark, Davis, Evans and Jeff Leonard. If we get 15 wins from each of our four starters — Mike Krukow, Bill Lacy, Fred Breining and Albie Hammer — and if our bullpen is as good as last year with Greg Minton and Gary Lavelle, then we can win it."

According to Robinson, the Atlanta Braves were not a fluke first-place team.

"They can win it again," he said. "They're a good offensive ballclub. And they've already improved their pitching in that they have two left-handers now, Terry Forster and Pete Falcone, where they didn't have any left-handers last year. They also have confidence from winning the division last year."

But the Giants' manager believes that the Dodgers have a "lot of questions" to answer.

"They've got a second-year man at second base in Steve Sax, a first-year man at first base in Greg Brock, a man out of position at third base in Pedro Guerrero and another man out of position in right field in Mike Marshall," he said. "All that could make it tough for the Dodgers."

Robinson warned that the Padres, who finished only eight games out last season with the first 500 record in the club's history, also must be considered a contender.

Garvey's arrival has strengthened the Padres, just as his departure, along with that of Ron Cey to the Chicago Cubs, has weakened the Dodgers. If the Dodgers might not win without Garvey and Cey, it is fair to expect the Giants to win without Morgan and Smith?

Scott Hamilton
Free SkatingHamilton Captures
3d Skating Crown

The Associated Press

HELSINKI — Scott Hamilton, the U.S. figure skating champion, won the gold medal Thursday night for the third consecutive year at the World Championships.

Norbert Schraun of West Germany captured the silver medal, and Brian Orser of Canada the bronze.

Hamilton, 24, from Denver, Colorado, outskated his rivals on a night when big jumps were the feature of the competition. Seven of the nine judges gave him first place in the free skating.

Three skaters did Triple Axels — a difficult 3½-revolution jump — and that made history in the World Championships. Orser was one of them, but did not bring it off cleanly. He wobbled on landing.

The other Triple Axel jumpers were Brian Boitano of California, who finished seventh, and Thomas Hlavik of Czechoslovakia, who was in 19th place.

Alexander Fadeev of the Soviet Union tried a quadruple jump, but he ended up falling.

"Some skaters want to be the first to do a Triple Axel in the championships, or maybe the first to do a quadruple jump," Hamilton said. "But they don't always combine their jumping with the in-

stinct quality that is needed to win titles. There is no way you can keep an audience's attention for 4½ minutes without artistry."

Hamilton did not include a triple in his program. "It had not been going well in training," he explained, "so I decided to leave it out. I just wanted to skate well."

Hamilton acknowledged that he had felt the pressures of going for a world title for the third successive year. "I didn't really think I could do it," he said. "I was a little nervous when I got here, but I started peaking and my skating got a little better in practice each day."

Earlier, Jayne Torvill and Christopher Dean, the British ice dancing pair, earned a dazzling set of near-perfect marks in the Original Set Pattern dance and moved toward their third straight title. This event finishes with the free dancing Saturday. Judy Blumberg and Michael Seibert of the United States were in second place, and Natalia Bestemirnova and Andrei Bakin of the Soviet Union third.

The women's singles finale was set for Friday night. Rosalynn Summers, the 18-year-old U.S. champion, is the leader after the compulsory figures and short program.

U.S. Soccer Cup Bid Gets a Boost

The Associated Press

NEW YORK — U.S. soccer officials made a formal application Thursday to hold the World Cup championship in 1986, and their chances received a boost when the Mexican government refused to endorse a bid by its nation's federation.

Brazil generally had been considered a favorite to win the World Cup site because João Havelange, president of the Federation Internationale de Football, soccer's world governing body, is a Brazilian.

But soccer authorities said that the refusal of the government to support its nation's bid virtually killed Brazilian chances, especially since governmental financial backing would be essential to the Brazilian bid.

There was no explanation for the decision by the Brazilian government, other than a statement by the presidential spokesman Carlos Atila, who said, "The president decided not to do it."

The United States will be competing for the tournament with Mexico, whose government announced its backing Thursday, and Canada, which was to announce its bid Friday in Toronto.

The U.S. Soccer Federation's bid

— a 92-page written statement and pictures of 14 proposed sites for the games — will be taken by courier to FIFA headquarters in Zurich.

U.S. soccer officials, holding that the sport has achieved new popularity in the United States, expressed optimism that the World Cup, widely regarded as the world's premier sporting event, would be held here.

"The United States is a big-events country," Gene Edwards, the federation president, said in a statement. "Given the opportunity, we will present the most dazzling World Cup ever."

The last World Cup was held in Spain in 1982. The federation usually alternates every four years between Europe and the Western Hemisphere, generally Latin America.

FIFA earlier had selected Colombia as the 1986 site, but that country backed out for financial reasons. FIFA's executive committee will announce a new site at Stockholm on May 20.

The World Cup has never been played in the United States or Canada. It was held in Mexico in 1970. The last year a U.S. team qualified for the event was 1950.

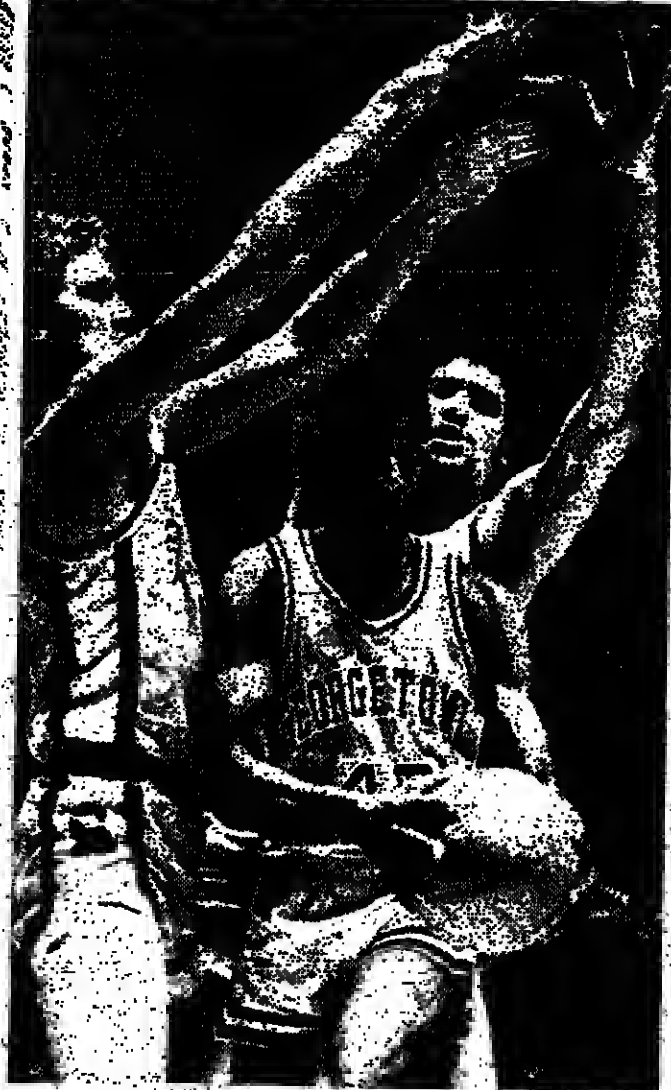
The Mexican government's decision to support a bid to hold the World Cup was reached after a monthlong nationwide study. However, "no government funds would be made available to cover expenses in any area connected with the World Cup," Fernando Alanis Camino, the nation's undersecretary of sports said Thursday.

As for the American bid, it was accompanied with optimism by U.S. soccer officials.

"We feel very confident that we have an excellent proposal," Werner Fricker, chairman of the U.S. Federation's World Cup Organizing Committee, said at a news conference. "Little time and money needs to be spent on building or renovating facilities."

Ahmet Ertugun, president of the Cosmos of the North American Soccer League, acknowledged that soccer has had its troubles in the United States, including a decrease in the number of pro teams. But he added: "The growth of soccer will be greatly helped if we can bring the World Cup here."

Ertugun said the organizing committee was confident that the U.S. administration backed the plan, although the government has said nothing publicly.



BIG EAST TOURNAMENT — Leo Rantinis, left, and Andre Hawkins guard David Wingate of Georgetown during Syracuse's 79-72 victory Thursday in the quarterfinals of the Big East tournament in New York. John Pinnone's free throw with 23 seconds left gave Villanova a 69-68 victory over Connecticut. St. John's beat Pittsburgh, 64-53, while Boston College defeated Seton Hall, 79-56.

Drivers Ready to Open 1983 Season in Brazil

United Press International

RIO DE JANEIRO — Formula One auto racing starts its 34th edition here Sunday with the Brazilian Grand Prix, and the sport has attempted to even out competition between the turbos and conventionally powered cars.

Regulations resulting in flat-bottomed, shorter-chassis cars without skirts and with new weight limits should revive some of the excitement lost in the era of the super-efficient ground-effect cars. Cornering speeds will be reduced and speed increased in the straights.

Keke Rosberg, the defending champion from Finland, says the new car change changes have restored "romanticism" to the sport.

"The elimination of the skirts — has meant a reduction of aerodynamic down-force, which will make a big difference," said Peter Warr,

the new head of the Lotus team, who will have one car running on a Renault turbine engine in the Brazilian Grand Prix.

Rosberg, partnering Frenchman Jacques Laffite, on the Williams team, hopes to become the first driver since Jack Brabham in 1960 to retain the world title. Rosberg's main challenge is expected from the Ferraris of Patrick Tambay and Rene Arnoux, and the Renaults of Alain Prost and Eddie Cheever.

Nelson Piquet of Brazil, the 1981 champion, thinks his Brabham poses a threat after an indifferent 1982 season.

Ferrari comes off a tragic season in 1982. Gilles Villeneuve of Canada died after a practice accident at the Belgian Grand Prix, and Didier Pironi of France was seriously injured at Hockenheim, West Germany. Still, Ferrari won the constructor's cup for the 10th time.

The McLaren of Niki Lauda and Tom Watson had successful trials this winter, but its new car, the MP4-1C, will be phased out after the first race of the season when the team introduces a turbo-charged racer.

To add to the unpredictability, Alan Jones, the Australian who won the 1980 title in a Williams, will make a comeback with Arrows, starting with the April 17 French Grand Prix.

Lotus, still recovering from the death of its founder, Colin Chapman, is pinning hopes on the skills of Elio de Angelis and Nigel Mansell, and the turbo-charged power of a Renault engine.

Renault also had intended to provide turbo power for the Ligier team. However, Jean-Pierre Jarier and his teammate René Bernier now have to wait until 1984.

The Brabham team has Piquet of Brazil and Riccardo Patrese of Ita-

ly, and will also be looking for more success than last year.

For the first time since 1968, Honda will be associated with a Formula One team. The Japanese firm is providing V-6 turbo power for the English-based Spirit team's bid to establish itself among auto racing's elite. Thierry Boutsen of Belgium will be its only driver running for championship points.

Stefan Johansson of Sweden joins the series at the July 10 Swiss Grand Prix, although he will not be eligible to score points.

Besides Johansson, there are four other drivers who have graduated to Formula One this season. Danny (The Kentucky Kid) Sullivan, 32, replaces Brian Henton at Tyrrell. Piercarlo Ghinzini joins another new Italian driver, Corrado Fabi, at Osella, while Jean-Louis Schlesser of France, whose uncle Jo Schlesser was killed driving a Honda in the 1968 French Grand Prix, will drive a March.

Hinault Eager to Enter U.S. Tour

By Samuel Abr

PARIS — Less than a month before the start of the first Tour of America race, bicycling's biggest star is still waiting to learn if he will be allowed to take part.

"I think there's a chance," says Bernard Hinault, four times a winner of the Tour de France, bicycling's most prestigious road race. If not, he insists, don't blame him. "I want to be a pioneer. It's something new and I don't want to miss it. I've always liked being where things are happening." In conversation, he persists in calling the United States the New World.

Despite both his eagerness and negotiations that have continued since January, Hinault, who races for the Renault-Gitane team, has been blocked so far by the rules of international cycling.

The Tour of America — not exactly that despite its 275-mile (440-kilometer) distance — is scheduled to begin in Virginia Beach, Virginia, on April 8 and to finish in Washington, D.C., on April 10. The one-day Paris-Roubaix classic also is scheduled April 10 and that race is protected by the rules, meaning that a racer of Hinault's making must be granted a dispensation by the Paris-Roubaix organizers. Without a dispensation, he may not race anywhere else in the world that day.

"If they don't give me the dispensation, I will not race in Paris-Roubaix," Hinault said during an interview this week. "I'll spend the day at home."

So far his position has not swayed Felix Roubicek, the main organizer of Paris-Roubaix, with whom Hinault's representatives continue to meet. Since Lévin is also technical consultant to the Tour of America and since he and Hinault visited the United States together late last fall to promote the race, Hinault's representatives remain optimistic.

Lévin has already granted some dispensations — notably to the Peugeot team's Phil Anderson, who led the Tour de France for more than a week last year — and so there is a feeling that he is merely delaying on Hinault to avoid mass withdrawals of top riders from Paris-Roubaix. Many European professional teams will participate in the Tour of America, their debut in the United States.

The 28-year-old Hinault has never kept it a secret that he abhors the Paris-Roubaix race, which he won in 1981. Partly run over treacherous cobblestones near the northern French city of Roubaix, the race is nicknamed "the hell of the north" because of its many spills and punctures.

But, Hinault says, he wants to ride in the United States for reasons other than his dislike of Paris-Roubaix. "We should try to promote cycling in other countries," he explains. "You have to help countries other than European ones start races, so that the sport has a chance to develop."

"I think American cycling is far from laughable. They tell us 100,000 people who will be in Washington for the cherry blossom festival will watch the finish of the Tour of America. Not a bad crowd, I think."

Nor, he insists, is it a question of money. "Because there's \$100,000 in prize money, that makes a lot of people think it's my reason for wanting to race there. When I win a race, I don't make a cent. All that money is for my teammates."

Hinault rides for Renault-Gitane on a contract and receives bonuses for major victories.

Prize money in Paris-Roubaix is estimated to be a tenth the rewards of the Tour of America.

NHL Standings

WALLES CONFERENCE

Team	W	L	T	Pts	GF	GA
Philadelphia	44	17	8	94	284	191
NY Islanders	35	22	12	82	254	201
Washington	32	21	14	78	257	204
NY Rangers	30	29	9	69	244	223
New Jersey	24	32	19	67	211	289
Pittsburgh	12	38	30	32	221	333

Team	W	L	T	Pts	GF	GA
St. Louis	44	16	8	94	284	191
Montreal	34	20	11	79	262	241
St. Louis	34	20	11	79	262	241
Quebec	30	28	12	72	296	290
Hartford	17	46	4	38	225	347

Team	W	L	T	Pts	GF	GA
Chicago	41	19	9	91	296	228
Minnesota	34	25	12	80	282	248
St. Louis	31	25	14	76	259	228
Toronto	24	32	14	62	247	288
Detroit	19	35	13	51	227	300

Team	W	L	T	Pts	GF	GA
Edmonton	30	20	11	89	336	282
Calgary	28	21	10	66	282	281
Vancouver	25	22	11	61	247	264
San Jose	24	24	12	60	257	294
Los Angeles	24	23	11	59	228	294

Team	W	L	T	Pts	GF	GA
Montreal	31	20	11	73	281	241
Quebec	24	25	11	59	247	288
St. Louis	24	25	11	59	247	288
Philadelphia	24	25	11	59	247	288
Washington	24	25	11	59	247	288

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Washington	24	25	11	59	247	288

Art Buchwald

A Heroic Taxpayer

WASHINGTON — There are two kinds of people who don't pay any income taxes in the United States — the very poor and the very rich. One tends to look down on the poor when they don't pay taxes, because they're a burden on society — but show me a rich man who doesn't pay any money to the government and I'll show you a real American hero.

My role model is Harvey Ripplinger, a millionaire many times over, who has hardly paid a cent in income taxes to the federal government for the last 10 years.

"How do you do it?" I asked Harvey the other day.

"I don't do it myself," he said modestly. "I pay people to do it for me. I believe it's an American's right. I might even add duty, to take advantage of every loophole our tax laws offer."

I'm sure every taxpayer feels the same way. But not many of us can achieve the ultimate of not paying any taxes at all. What is your secret?

"You need money not to pay money to the IRS. The more money you have, the less you have to give them. What you have to do is find paper tax losses to offset your real income. Then you prove that you've actually lost money in the fiscal year and therefore you owe the government aittance."

"Okay, but how do you find a way to do that?"

"You hire the best tax lawyers that money can buy. They usually happen to be former IRS attorneys who know all the loopholes. They're experts on what will fly and what won't."

"What happens when the IRS closes a tax loophole for somebody like you?"

"Then my tax lawyers find another loophole. Fortunately our tax laws are such that when the IRS thinks they've got you trapped, you

can always crawl through a hole they left open. It's really a poker game, but you have to have a big pot going in to play. What you need are large carry-over losses, huge interest deductions, big depreciation write-offs and solid tax shelters. Now, the average person doesn't have the stakes to acquire all these things, so he has to pay his taxes."

"What about your attorneys' fees? They must be very high."

"Not really. They're tax deductible."

"Do you ever have any guilt about paying hardly any taxes?"

"Does anyone have any guilt if they can beat the tax system? Go through your newspapers and magazines. Half the ads are from people who claim they can help you beat the IRS. The best-seller lists always have a new book on ways you can keep your tax money. The only people who feel guilty in this country are those who have to pay their full share."

"It's lucky we have them or there wouldn't be any money in the Treasury."

"I don't want you to get the idea that just because I pay hardly any taxes that I'm not a good American. I serve on the Committee for a Strong National Defense. I'm against large government deficits, and I don't believe in social programs that are bleeding this country to death."

"I never questioned your patriotism."

"Do you know why this is the greatest country on earth?"

"I think I do, but I'd like to hear it from you."

"Because if a man can beat the tax system he can keep everything he has. And it's possible to do it here without violating the law. You don't have to be born rich to avoid paying taxes. This country allows you to become rich and not give any of it away. That's why I love America."

And that's why everyone loves you, Harvey. You're an inspiration to every taxpayer in America who aspires to be in your position right now."

"Anyone can do it," Harvey said. "With a little luck, a lot of money and a good tax lawyer who really knows what he's doing and has your interests at heart."

By Walter Shapiro

Washington Post Service

France's Man in Washington

WASHINGTON — Washington is to ambassadors what Houston is to heart surgeons, Milan is to fashion designers and Zurich is to bankers. Some ambassadors posted here are career diplomats, survivors of apprenticeships to places like Lagos and Islamabad, who now outlive dreams of becoming foreign minister in the next cabinet. Others have been sent to Washington as a reward for a lifetime of political service, or because a brother-in-law came out on top in the recent coup.

Embassy parties and the other ritual events of ambassadorial life may be impressive, but they are also insubstantial as the ambassador's life may be. An ambassador must be a cross between a diplomat and a Toots Shor, playing host to every visiting dignitary from the minister of fisheries to the leader of the opposition party. Diplomatic dinners are often designed to impress these visiting firemen, not to win the hearts and minds of the guests.

In contrast, the substantive work of a major ambassador can be as arduous as it is intangible. Months, even years, can be spent disputing the same arcane points with the State Department. Final decisions rest with the foreign ministry back home, yet, if things go awry, the ambassador is often blamed. Discretion is prized, and a good ambassador leaves no marks.

Within this closed diplomatic world, few ambassadors are as effective, unusual, or take their responsibilities more seriously than Bernard Vernier-Palliez, the French ambassador to the United States. Since before Talleyrand, the French have believed diplomacy far too serious to be left to amateurs. Yet Vernier-Palliez is not a career diplomat, but an industrialist widely praised for revitalizing Renault, the state-owned auto company.

In late 1981, after 37 years at Renault and six years as its chairman, he was about to fade into graceful retirement when he was offered his national plum: diplomatic assignment by a new Socialist president whom he barely knew and never supported.

"It wasn't a hard decision," the



French Ambassador Bernard Vernier-Palliez.

64-year-old Vernier-Palliez recalled. "Major decisions in my professional life, they are difficult, but decisions in my own life, they have always been easy." His wife, Denise, the daughter of Charles Pathé, the pioneer of French silent films, reveals in all last escaping from the former-only world of the Parisian business elite. She called coming to Washington "absolutely an enormous chance to be offered at my age — at our age — a completely different life."

Tall and distinguished, with a smile that is almost blinding, Vernier-Palliez is known in Washington as "Sonny," an incongruous nickname that he was given by an English nanny as a child. He can be brutally candid in explaining French policy: "We have no shame at all in exporting arms." But he also complains that "diplomacy seems to be a lot less discreet than business." He can be as reserved and shy in private as he is charming in public.

The flap over the Soviet natural-gas pipeline and the strained personal relations between Ronald Reagan and François Mitterrand made 1982 a trying year for French-American relations.

Yet at the State Department Vernier-Palliez is considered one of the most effective European ambassadors. "I have a great deal of admiration for him, because he's open and direct and a hell of a good advocate for his country's position," said Undersecretary of State Lawrence Eagleburger.

"Because of his nondiplomatic background, he tends to say what he thinks, and that's rare."

Dinner at the residence of the French ambassador, an imposing 1920s chateau in northwest Washington, is one of the brighter stars in the firmament of social Washington. Two or three evenings a week the 18th-century chateau on the dining room wall, painted in the rococo style and originally commissioned by Ma-

dame Pompadour, gaze down on a room filled with Washington dignitaries.

On a typical Monday in late January Vernier-Palliez and his wife had 48 to dinner (including Chief Justice Warren Burger, Attorney General William French Smith, the lawyer-lobbyist Robert Strauss and the Washington Post board chairman, Katharine Graham) to honor Robert Badinter, the visiting French minister of justice.

Vernier-Palliez is far more than just a gracious host, an artful composer of diplomatic toasts and an elegant emissary from Socialist France. Trying to understand his job by attending these diplomatic dinners is like trying to decipher pop football by watching only the half-time show during the Super Bowl. A far better place to glimpse Vernier-Palliez at work is at the weekly Wednesday afternoon senior staff meeting at the French Embassy.

As ambassador, he presides over an embassy staff of about 300. The French diplomatic contingent sprawls over a host of offices in downtown Washington and won't be united in one building until a new chancery on Reservoir Road opens in mid-1984.

As one senior French diplomat explained, "The embassy here is the mirror image of the French bureaucracy." The ambassador's management style is to delegate authority, and to define clear responsibility. When he was appointed, Vernier-Palliez selected a career diplomat, Claude Harel, then French ambassador to Jordan, as his second in command. Harel, among his other responsibilities, handles the cables — approximately 15 a day — to the French Foreign Ministry.

No decisions are made at the embassy's Wednesday staff meetings. But Vernier-Palliez runs the meetings with crisp efficiency. The sessions are grumpy formal. There is little banter or play on words — just 16 French diplomats, reviewing the issues of the day, seated around a long conference table covered in green baize. On Dec. 1, for example, the items discussed during the 90-minute meeting included: Sena-

(Continued on Page 6, Col. 4)

PEOPLE
Queen Heads Home

Queen Elizabeth and Prince Philip headed home to London Friday after a 25-day tour that took them from the Caribbean to Canada. The trip ended with a lavish farewell dinner hosted by Prime Minister Pierre Trudeau Thursday night. Canadians provided some of the most novel welcomes of the tour. A flotilla of a dozen bathtubs, mounted on outboard motors, greeted the British yacht's arrival Thursday at the harbor in Nanaimo, a logging and fishing town on Vancouver Island. The royal couple was welcomed in the Vancouver suburb of New Westminster by a traditional 21-gun salute. The town, an early provincial capital, lacked cannons in the mid-1870s and improvised a welcome for dignitaries by lighting a pile of gunpowder between a pair of stacked anvils. Twenty of the salutes were fired before the queen arrived. When the last went off, she gave a royal flourish and the prince covered his ears.

Justice William Brennan of the U.S. Supreme Court has married Mary Fowler, the woman who has been his secretary since 1957. "Mary Fowler and I were married yesterday and we have gone to Bermuda," Brennan, 76, said in a memo to fellow justices. Brennan is 54 years, Marjorie, 42, is 54. They were married in December. They had three children and eight grandchildren. Appointed by President Dwight Eisenhower, Brennan took his seat on the high court in 1956. He is the oldest of the nine justices. . . . The Fiat heir Prince Egon von Fürstenberg, a successful fashion designer in Manhattan, is honeymooning at last in Acapulco with Lynn Marshall after twice calling off their wedding date.

Austria's last empress, Zita, said in an interview published Friday that Crown Prince Rudolf, who died mysteriously with his mistress in a hunting lodge in Mayerling in 1889, was murdered for political reasons. The tragic love affair between 17-year-old Baroness Maria Vetsera and the 30-year-old prince, already married to a Belgian princess, rocked the Catholic Habsburg dynasty and has been portrayed in many plays and films. Zita, 90, told the Vienna Kronen-Zeitung that Rudolf and Mary had not commi-

ted suicide, as officially announced. She did not name the assassins or specify their motives, but said she would release documents later. She said the imperial family had sworn to Rudolf's father, Emperor Franz Josef, never to reveal the truth of the murders. Allegations that Rudolf was killed because he had been conspiring with Hungarian aristocrats against the emperor have never been proved. Zita, who was banished from Austria 64 years ago when the Habsburg monarchy collapsed after World War I, spoke at her home in a former Franciscan convent in the Swiss village of Zizers. Austria's Socialist government last year allowed the former empress to visit Austria, and she has expressed a wish to stay. She said she was breaking her silence on the deaths to end speculation.

Glynn Wolfe, 74, who holds the world's record for most marriages has decided to end No. 25 after just three months, because his latest wife wants "to drink and have fun like these young ones. If everything goes right I'm going to get a divorce on April Fool's Day," Wolfe said. "There's no fool like an old fool, but I'd rather be an old fool than a dirty old man." The couple married in 1963. Wolfe, who is 74, is married to a 21-year-old woman, who is 21. Wolfe, who is 74, is married to a 21-year-old woman, who is 21. Wolfe, who is 74, is married to a 21-year-old woman, who is 21.

Unreasonable differences and ask that the community property be divided in court. Caron asks for spousal support. Caron has three adult children from previous marriages; he and Joanna have no children. Joanna attended all four performances of the Spanish singing star Julio Iglesias at Radio City Music Hall in Manhattan recently and was his companion at several post-performance parties. Iglesias' only marriage was annulled some time ago.

Perth Wreck Yields Haul

United Press International

PERTH, Australia — A diving expedition has recovered priceless historical equipment, including a bronze astrolabe, from the wreck of the Gilt Dragon, a Dutch ship that sank off the Western Australia coast in 1656.

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